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IN STEEL CITY

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DESTRUCTION
OF SOVIET
COMMUNISM

Russian President
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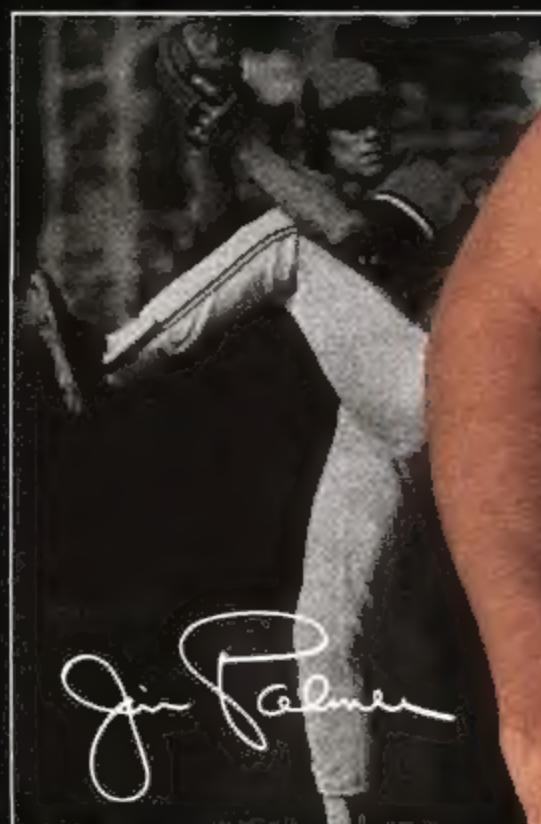
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Maclean's

CANADA'S WEEKLY NEWSMAGAZINE SEPTEMBER 2, 1991 VOL. 104 NO. 35

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COVER

RED IS DEAD



In a tumultuous week, Communist hard-liners seized Soviet President Mikhail Gorbachev and threatened to plunge their nation into dictatorship. But the Soviet people, rallying around Russian Federation President Boris Yeltsin, took to the streets to defend democracy. Just 72 hours later, the coup collapsed. And on Saturday, Gorbachev resigned as Communist party chief. — 22

CANADA

PROMISES TO KEEP

Relations between Ottawa and native groups appeared to take a dramatic turn for the worse after Constitutional Affairs Minister Joe Clark said that some Canadians might feel threatened by native demands for self-government. Native leaders threatened to boycott future constitutional talks. — 14



BUSINESS

STEELING FOR A SHAKEOUT

Canada's major steelmakers face conflicting pressures in their efforts to revive their fortunes. They have to modernize their operations in order to compete with U.S. and other foreign producers. But after two years of poor sales and depressed prices, they cannot afford expensive programs. — 40



COVER PHOTO BY ROBERTO KOCH-CONTRASTO/SABA



A Promise For Peace

The revolution that Vladimir Lenin began in 1917, and Leon Trotsky's Red Army solidified in 1922, ended last week in the thundering streets of central Moscow. As eight Communist party leaders failed in their attempt to overthrow President Mikhail Gorbachev, Boris Yeltsin, president of the Russian republic, took centre stage as the defiant defender of democracy. And when Gorbachev returned to Moscow after his jailers released him from his Crimean dacha, he was swiftly and effectively overshadowed—and humiliated—by Yeltsin. The Communist party began to crumble beneath Gorbachev, crowds destroyed icons of the old system and the two leaders planned to sign a treaty passing major powers to the republics—and away from Moscow's central control. The Baltic states declared final, complete independence from the union and, in the space of hours, the U.S.S.R. became almost unrecognizable.

With the Communist party on the verge of dissolution, the remaining issue is how rapidly and how many of the republics will break with Moscow and declare themselves independent states. There is no doubt that the republics are moving in that direction with great momentum. And last week, military leaders demonstrated clearly that they have no stomach for moving against their own countrymen. Nor would they likely be prepared to fight a civil war to prevent the union's breakup. As a result, the revolutions that transformed Eastern Europe from communism's grip to democracy in less than two years can now flower in the Soviet Union with equal swiftness. The world that emerges in the coming months may hold more promise for peace and creativity than even the wildest optimist could have imagined at the end of the 1980s.

• During the postal strike, *Maclean's* intends to serve subscribers for as long as possible through the postal system. If timely delivery cannot be maintained, the magazine will use alternative means to best serve its subscribers.



Moscow Bureau Chief Malcolm Gray: in hours, the Soviet Union became almost unrecognizable

Kevin Doyle

Maclean's

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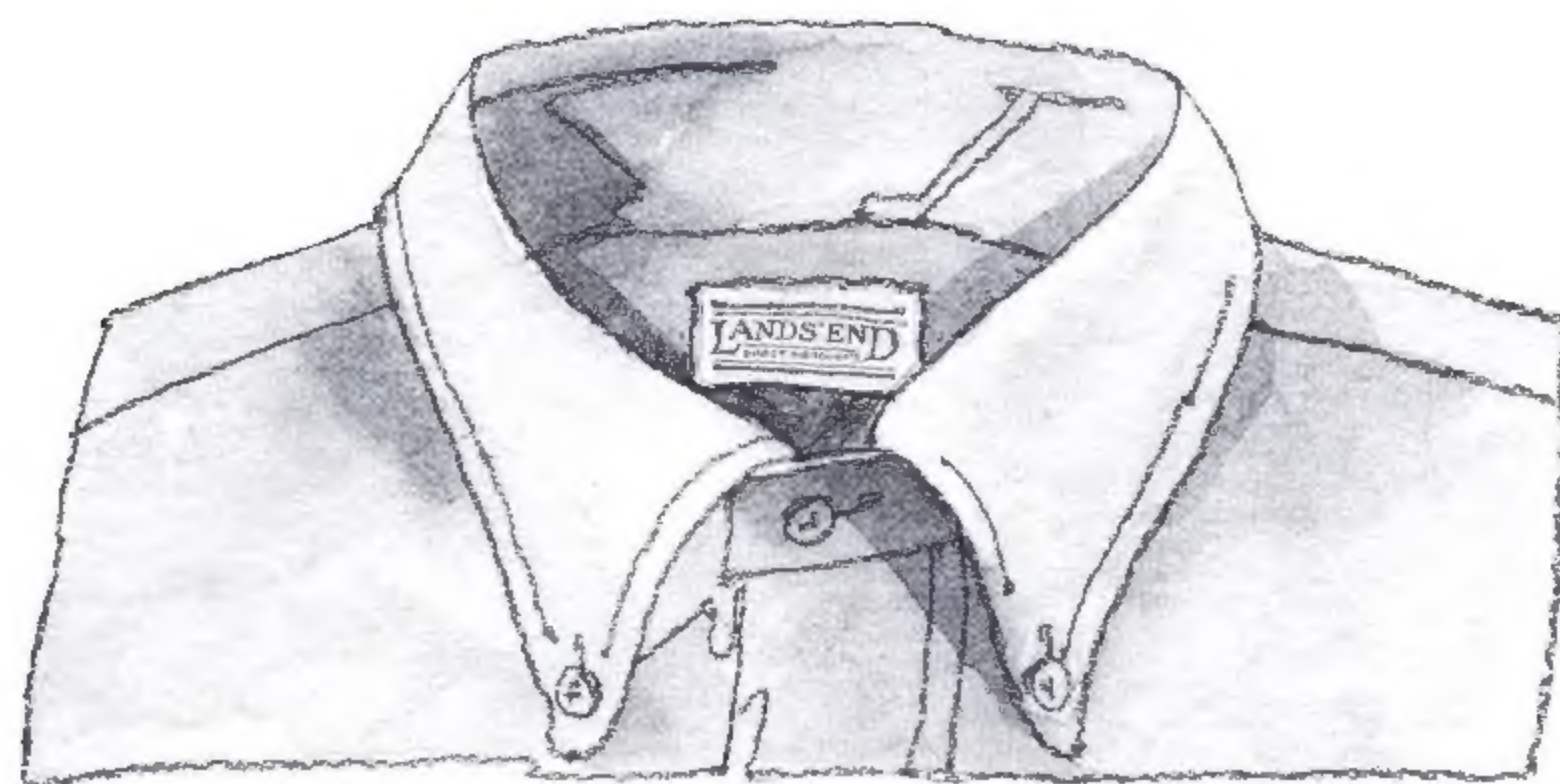
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LETTERS

WHO IS RESPONSIBLE?

Your Aug. 19 cover story, "Mid-life panic," is a strong reminder to seniors and their children to do some serious thinking, open communicating and pre-planning to help lessen the burden of the elderly on the middle generation. Old age, illness and infirmity can become unendurable burdens for the children of elders.

Daphne Naegele,
Vancouver

I trust that you feel satisfied now that you have given all us grey-haired grandparents a guilt trip for having the audacity to remain alive and burden our children. We are truly sorry for the inconvenience our existence is causing.

Bessie Potter,
Orangeville, Ont.

A MEMORY DISHONORED

As a Jewish person who had 27 immediate-family members murdered in the Holocaust, I find your reportage in "Summit symmetry" offensive and a historical whitewash (World, Aug. 12). The statement "Babi Yar—a memorial to the scores of thousands of Ukrainians slaughtered by the Nazis" fails to point out that the overwhelming majority of the victims were Ukrainian Jews. Your description dishonors the memory of those innocent children, parents and grandparents.

Pierre Walder,
North Vancouver

TROUBLE IN PARADISE

In "Colliding cultures" (Canada, Aug. 12), you twist the truth about Quebec's James Bay hydro project when you state that "the claims of Quebec natives clash with the province's need to develop its hydro potential." Native claims are reality, while the "need" for hydro power exists only because governments adamantly refuse to seriously support energy conservation.

Dennis Baresco,
Medicine Hat, Alta.

The Quebec government's determination to forge ahead with the James Bay hydro project, irrespective of Cree and Inuit opinion, shows a surprising lack of cultural sensitivity, given Quebec's own history as a distinct society.

Terrance Rempel,
Woodstock, Ill.

"Colliding cultures" fails to mention two important points. First of all, a large portion of hydroelectricity generated in Quebec is exported under contract to New York state. And secondly, recent public demonstrations in that



Lawn-bowling senior: 'serious thinking'

state have attempted to pressure Gov. Mario Cuomo not to honor the hydro contract out of concern for the potential effects on the Cree and Inuit peoples of Quebec, as well as on the environment.

Tom Bruulsema,
Ithaca, N.Y.

A 'CONTROVERSIAL' ISSUE

In National Notes (Canada, Aug. 5), an item about the shooting death of a white police officer on the Grassy Narrows Ojibwa reserve in Ontario carries the headline "Northern tragedy," while the shooting death of a young black man, allegedly by a Montreal police officer, is called only "A controversial death." Is it any wonder that minority groups feel slighted by the Canadian media?

Maggie and Alan Bolitho,
Melbourne, Australia

Regarding "A simmering rage" (Canada, July 29), I believe that one of the major causes of racial incidents in Canada is a lack of proper education. Ignorance is passed down through generations. If we only showed our country's youth how fortunate they are to have a mosaic of cultures, they would discontinue passing on stereotypes. It is ironic that the human mind is powerful enough to create high-tech equipment, yet is unable to overcome relatively simpler moral problems.

Angela Lombardi,
Montreal

Letters may be condensed. Please supply name, address and daytime telephone number. Write: Letters to the Editor, Maclean's magazine, Maclean Hunter Bldg., 777 Bay St., Toronto, Ont. M5W 1A7. Or fax: (416) 596-7730.

PASSAGES

DIED: Montreal-born actress Colleen Dewhurst, 67, of cancer, at her home in Lewisboro, N.Y. The Broadway stage star was known for her depictions of formidable and often tragic heroines in the works of Eugene O'Neill and as the starchy Marilla Cuthbert in CBC TV's *Anne of Green Gables*. She also appeared in movies and, most recently, in TV's *Murphy Brown* as the title character's mother, Avery. In 1974, Dewhurst won a Tony award for best actress for her portrayal of Josie Hogan in a revival of O'Neill's *A Moon for the Misbegotten*. Her films included Woody Allen's *Annie Hall*. Dewhurst and actor George C. Scott were married and divorced twice.



ESTRADA GAWMA/POKOPESSE

DIED: Broadcaster, novelist, script- and songwriter Ray Sonin, 84, of an apparent heart attack, in a Toronto hospital. London-born Sonin's weekly *Calling All Britons*, a mix of music, news and sports from the United Kingdom, aired over the southern Ontario radio station CFRB on Saturday nights from 1958 until three days before his death. Queen Elizabeth II made Sonin a member of the Order of the British Empire in 1984.

RETIRED: Longtime Broadway producer and director Joseph Papp, 70, whose hit shows included *Hair* and *A Chorus Line*; as artistic director of the New York Shakespeare Festival, which he founded in 1956. Papp, who retains his title of producer, appointed his associate director, JoAnne Akalaitis, 54, to replace him.

SENTENCED: To perform 200 hours of community service, Dana Plato, 26, former child co-star of the hit TV series *Diff'rent Strokes*, after she pleaded guilty to robbing a video store of \$187. Plato, a waitress, earned almost \$30,000 a week for playing Kimberly Drummond, the daughter of a businessman who adopted two brothers, played by Gary Coleman and Todd Bridges, in the eight-year series, which ended in 1986.

REDUCED: The prison sentence of former television evangelist Jim Bakker, 52, to 18 years for defrauding supporters of his now-defunct PTL ministry; by a federal judge in Charlotte, N.C. Another judge sentenced Bakker to 45 years in 1989, but an appeals court struck down that sentence in February.



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LETTERS

BATTLE OF THE SEXES

If Fred Bruning did not like *Thelma & Louise*, that is fine—he is entitled to his opinion—but I resent his dismissing anyone who did ("A lousy deal for women—and men," *An American View*, Aug. 12). He recommends two foreign films, but warns what he obviously perceives to be a dim-witted general public that the films have subtitles, and to "Be brave." Thanks. I will try not to run screaming from the theatre back home to the comfort of *Three's Company* reruns.

David Brooks,
Toronto

I am a man who is tired of all this *Thelma & Louise* bashing. Sure, most men in the film are jerks, but not once does anyone in the film say that *all* men are. It is interesting that the same men who dislike the movie for its supposed anti-man message seem to have no problem with the *Godfather* trilogy, to take one example, which depicts wife battery as a sign of masculinity. Come off it, guys—*Thelma & Louise* is only a movie.

Peter Ginis,
Scarborough, Ont.

DOLLARS AND SENSE

Peter C. Newman's column "Want a big raise? Move to America" did not present all the facts (*Business Watch*, Aug. 5). Canada is a better country to live in partly because of the services our additional taxes make possible. We provide medical benefits to *all* citizens, our colleges and universities are less expensive than similar American schools and we have superior welfare and unemployment insurance programs. Furthermore, while taxes in Canada are higher, wages, in many sectors, are on average higher, especially for the Canadians that Newman chooses to ignore: those earning less than \$100,000 annually.

George Pappas and Garth Jay,
Richmond Hill, Ont.

There may well be economic advantages for "executives, senior professionals, entrepreneurs and top scientists" to move to the United States. But for the vast majority of Canadians, there are no advantages. Is it a surprise that a house costs less in Houston than in Calgary? There is a housing glut in Houston these days. And construction costs, given the climate and cheap labor, are always lower. There are poor highways and poor public libraries; there are high crime rates; schools hold bake sales to pay for their lab equipment. To compensate, though, there are cheap liquor and cigarettes, drugs and guns. Enjoy.

Carol Reese,
Manson's Landing, B.C.

HOW TO COOL DOWN AFTER LOVE.



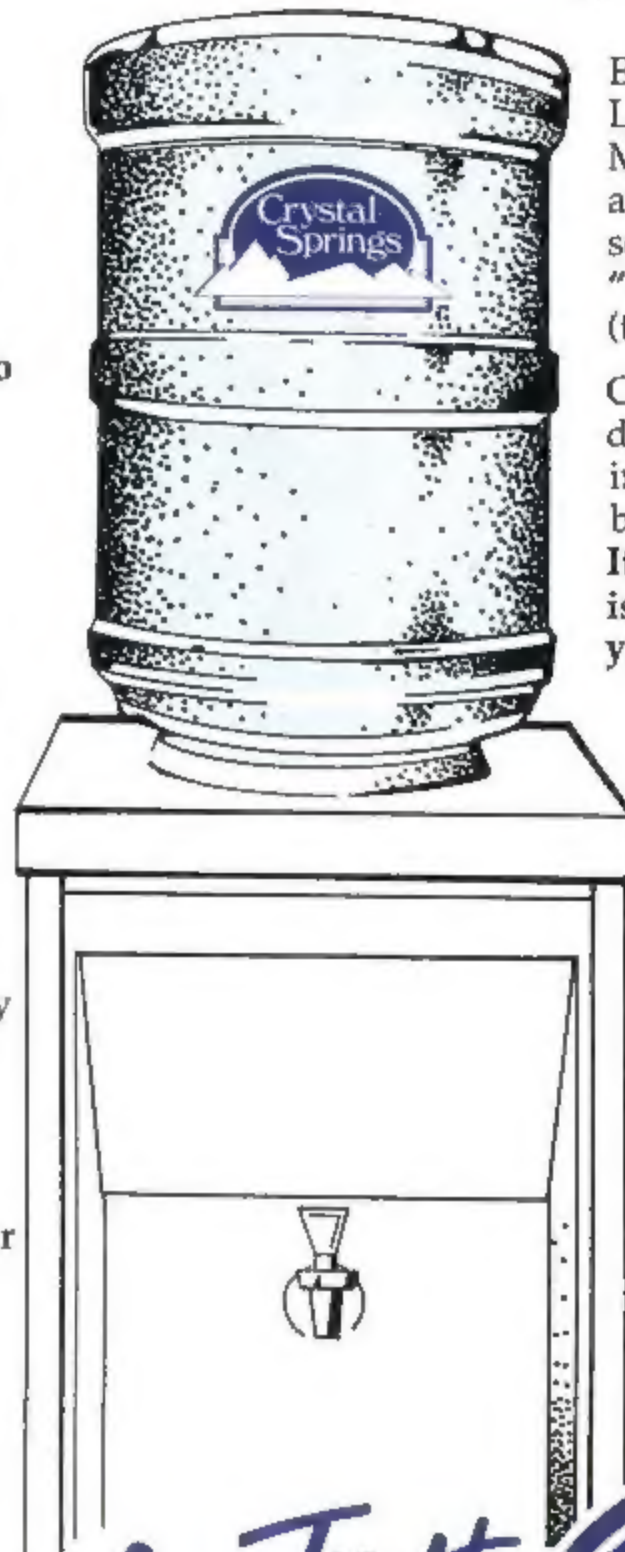
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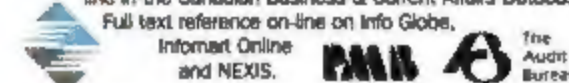
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Representations were made that may have led consumers to believe they were receiving an exclusive, urgent or time-limited offer.

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Representations were also made comparing the subscription price being offered to a "basic rate" or "regular subscription rate" which, in 1987 and 1988, did not reflect the selling price of more than 50% of the subscriptions sold.

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OPENING NOTES

Colin Powell takes the helm, Peter Mansbridge charms a four-footed audience, and Bob Rae surveys his staff

CLOSET QUERIES

Bob Rae, the NDP premier of Ontario, consistently declares that an individual's sexual orientation is a private matter. But Queen's Park insiders say that one senior official in Rae's government appeared to take a different approach earlier this year. A source close to Rae confirmed that Richard McLellan, executive director of the premier's office, sent an internal bulletin to all 25 NDP cabinet ministers and their executive assistants asking them to take stock of the number of "openly gay men and lesbians who are employed in ministers' and parliamentary assistants' offices." The memo went on to say that the ministers should report their findings to McLellan's office. But at the time, at least one cabinet minister, who requested anonymity, balked. "I wasn't going to make any assumptions," he said, "and there was no way I was going to ask my staff." McLellan could not be reached for comment, but Dean Williams, a spokesman for Rae's office, said that the memo was only meant to assess employment equity in the government.

Rae: taking stock of homosexual revelations?



CHRIS SCHWARTZ/MACLEAN'S

Montreal's bilingual baseball stars

Two members of the Montreal Expos baseball team, which last week was 22 games back in the National League East, are gaining popularity on a French-language radio show. Each weekday morning, fans in the team's home city can tune in to a popular two-minute segment on CKAC featuring Larry Walker, an outfielder and first baseman from Maple Ridge, B.C., and Marquis Grissom, an outfielder from Atlanta, Ga., taking French lessons from broadcaster and former teacher Rodger Brulotte. The players have learned how to announce the play-by-play of a home run in French and to master such simple phrases as "How do I get to Olympic Stadium?" Said Brulotte, who has earned the nickname Mr. Berlitz: "Some broadcasts have left people crying with laughter." Unfortunately, the team's performance on the field has left fans just plain crying.

Grissom (left), Brulotte and Walker: learning and laughter



CHRISTOPHER MORRIS

EX MARKS THE LEADER

Madame Tussaud's Wax Museum in London rapidly demonstrated its willingness to consign Mikhail Gorbachev's leadership to the annals of history following his temporary removal from office last week. Shortly after the short-lived coup, officials changed the label on its statue of Gorbachev to read: "Ex-president of the U.S.S.R." But two days later, they wisely removed the "Ex." Said Sasa Assari, a museum spokesman: "It reflected the situation in Russia at the time." She added: "We weren't trying to make history or anything."

Taking a page from history

During last week's short-lived coup in the Soviet Union, it often appeared that NBC Pentagon correspondent Fred Francis was judging events by the covers of the books that were visible in his office during his frequent broadcasts. When the hard-liners first declared a state of emergency, Soviet Military Power appeared on a shelf behind Francis. The next day, the book in view was History of the KGB. Finally, when the coup crumbled, About Face took its place. Admitted Francis: "It's been an extraordinary turn of events, and I hate to belittle it. But if you don't make fun of yourself, you can't do this job."

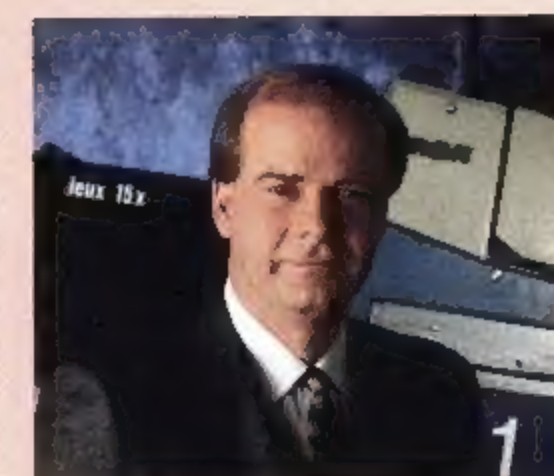
A NEWSHOUND'S DELIGHT

For Shea and Toffer, two of Canada's top golden retriever sires, the voice of CBC national news anchorman Peter Mansbridge is a potent aphrodisiac. When his image flickers across a television screen that is positioned in front of them, the two dogs happily wag their tails and begin mating with female golden retrievers that have been flown in from breeders' kennels across North America. The owner of the males, Karin Klouman, a breeder from Shelburne, Ont., says that the two champion dogs like Mansbridge so much that when he

Frum: slows ardor



MARY ANN DONOHUE



BRUCE MACALUS

Mansbridge: his dulcet voice

lowers his dulcet voice to underscore a tragic or dangerous event somewhere in the world, the dogs quickly tense up and their mating game is sometimes delayed well into *The Journal*, or even the local television news. But usually when *The Journal's* longtime host Barbara Frum comes on, the dogs seem miffed and their ardor often appears to slow considerably. "Things go much better when Mansbridge sounds happy," said Klouman. "The dogs can sense when the news is upsetting." Once spent, the happy couples like nothing better than to cuddle up in a furry ball, she says, and relax by watching what remains of *The National* and *The Journal*.

A FORGETTABLE NIGHT ON THE TOWN

It was a meeting of true minds. Nick Auf der Maur, Montreal's notorious columnist and municipal politician, met recently with Ontario's own bad boy, NDP MPP Peter Kormos, who lost his cabinet post last March after posing as *The Toronto Star's* so-called Sunshine Boy. The meeting took place at 1:30 a.m. in Auf der Maur's unofficial headquarters, a downtown Montreal bar called Grumpy's. Later, Kormos, who was in town taking French lessons (he denies that he has federal political ambitions), said that Auf der Maur is a politician with a sense of humor. He called him "a maverick and an iconoclast who is obviously a very effective politician." For his part, Auf der Maur was vaguer, saying: "He seemed to be a nice guy. But I don't remember what we talked about. It was late."



SWANEY/GAMMA-LIAISON

Not a drop in sight

Some playful expatriate Americans in Riyadh, Saudi Arabia, have developed a unique career opportunity for former Desert Storm troops and journalists. The members of the Notable or Anyway Honorable Society of Arabian Riverboat Captains (NOAHS ARC) are offering free commissions. And although there are no rivers in Saudi Arabia, the perquisites of the job are apparently impressive enough to attract Chairman of the Joint Chiefs of Staff Colin Powell, whom the group claims as a member. Arabian Riverboat Captains are entitled to such privileges as priority over so-called ships of the desert (camels) at highway crossings and access to all legal alcoholic beverages in Saudi Arabia (there are none). Caroline Piper, a spokesman for Powell, said that she could not confirm that the general accepted a commission from NOAHS ARC. Said Piper: "He's a pretty busy man these days."

Powell: questionable Arabian privileges

Companion wanted

Madonna, who often complains that she has difficulty meeting interesting men, is getting a little help from an



VENEZ/SPA

Madonna: a little help

anonymous source. A classified ad that recently appeared in *The Village Voice*, a New York City weekly newspaper, begins: "MADONNA: My wealth & fame may be meagre in comparison, but it is all I will ever need." It ends with the plea "Wanna go out?" and gives a post office box number. Liz Rosenberg, a spokesman for the star, said that Madonna has not seen the ad.



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COLUMN



Expensive and dangerous myths

BY DIANE FRANCIS

A lower crime rate and access for everyone to health care make the quality of life in Canada considerably more agreeable than that enjoyed by most residents south of the border. But contrary to popular mythology, our medical system, as constituted, is flawed. While no one in his right mind, least of all me, would ever want to adopt a system so mutated, unfair and expensive as the U.S. system—which tries to function along free-market principles—let's not kid ourselves. Canada's medical system is one sick puppy and our provinces, which manage it, had better find a cure.

Ironically, the fiction that Canada's system is unblemished is perpetuated by U.S. Democrats itching to bring the United States into the 20th century through public health care. While the Americans should be ashamed of themselves for not bringing care to everyone as we and virtually every other industrialized country have, Canadians should not be smug. All publicly funded health systems should draw a handful of lessons from the free-market approach of the United States.

The basic problem with Canada's system is that it imposes no responsibility on either users or providers of services to be prudent in their use of facilities and services. Totally open-ended and gold-plated, our medical system is wasteful and is destined, this decade, to result in wholesale rationing of services and cancerous cost increases due to our aging population. The system is inefficient because there is no competition, nor are there any built-in incentives to save money while achieving results.

The result is abuse. And we are all guilty whenever we opt for an overnight stay in a hospital rather than for outpatient care; put grandmother in a nursing home when we could look after her at home; run to a doctor for an antibiotic rather than spend a day or two in bed; or insist on second and third opinions without regard to the cost. We are over-doctored, over-served and overdemanding.

Proponents of Canada's medical myth should

Canada's medical system is one sick puppy, and the provinces that manage it had better find a cure

contemplate the fact that our costs are growing exponentially and are now the second-highest per capita in the world, after the United States. According to the Organization for Economic Co-operation and Development, the United States spent \$2,683 per person in 1989 on medical care despite the fact that some 35 million Americans have no health insurance at all. Canada spent \$1,918 per person, compared with the next-highest-cost countries like France, at \$1,452, Germany, at \$1,404, or Japan, at \$1,179.

Japan gets the biggest bang for its bucks with longer life expectancies for both males and females plus lower infant-mortality rates than any of the 24 developed countries that belong to the OECD. Of course, such statistics belie the fact that education, pollution, culture, lifestyles, diet and the degree of poverty are equally important determinants of the health of a nation. Put another way, an ignorant, junk-food, chain-smoking culture can spend a fortune on health care without any increase in life spans. Education is preventive medicine.

Another factor in costs is demographics, or the population mix of a country. And it is in this regard that Canada has a great deal to be worried about. No satisfaction should be drawn

from the fact the Americans spend nearly 40 per cent more per capita on health care. Much of the difference is due to the fact that their population is older than ours, demographically speaking, which profoundly affects costs. In fact, Canada is one of the youngest countries among the OECD members and yet has the second-highest health costs. If demographic apples are compared with demographic apples, Canada probably has the world's most expensive health-care system—an overhead that is already lowering our living standards by swelling government deficits and causing excessively high taxes.

The United States has 3.9 workers for every pensioner, while Canada has 4.5 workers for every pensioner. This ratio is important on two counts. Workers bear the cost of the system through income taxes. The number of pensioners is critical because they use health services significantly more than younger citizens. People over 75 rack up 10 times more medical expenses than people between 20 and 50 years of age. Obviously, the greying of Canada has grave implications for our economy as costs will soar this decade as the already overstrained system is put on the critical list.

Some 40 per cent of Canada's \$41.6-billion publicly funded health tab is borne by Ottawa in the form of transfer payments to the provinces, but the management of health care is up to the provinces. There are small moves towards responsibility. Some provinces, like British Columbia, require an annual user fee in the form of a premium. Alberta is considering sending regular statements to users so they realize how much they have benefited from the system, while Quebec is studying whether to make certain medical benefits a taxable benefit, thus costing the wealthy more and exempting the poor or untaxed. But most are doing nothing.

The venerable *Economist* magazine says that the fees-for-services payment method of paying doctors, used in Britain and Canada, be scrapped because it encourages over-servicing and overdemand by patients who are not directly charged. It suggests, instead, that doctors be organized into group practices serving a large number of patients. People could choose a group practice, just like Canadians choose their general practitioners. The doctors would be paid an annual set amount based on the number of patients in their group. Excess costs encountered by one patient would be subsidized by those who rarely used the system. If they keep their patients healthy and there are few visits to their offices, the doctors stand to make a lot of money. This scheme—known as Health Maintenance Organizations (HMOs) in the United States—would discourage needless office visits, treatments, hospitalizations and testing. It would get to the root of the cost problem, which is the lack of incentives to make the system efficient as well as effective.

But no matter what our doctors/health ministers prescribe as cures, the system must first be seen to be chronically ill. Too few Canadians agree with the diagnosis that our system is seriously ill. And unless we all agree to that diagnosis and scrap the mythology, there's little hope for the patient.

PROMISES TO KEEP

NATIVE LEADERS SAY THAT OTTAWA IS RENEGING ON ITS SELF-GOVERNMENT COMMITMENT

As unexpectedly as Ottawa had offered its hand to Canada's natives, Joe Clark last week appeared to withdraw it. Improved relations between the federal minister for constitutional affairs and Indian and Métis leaders blossomed during a seven-hour encounter in July between Clark and Ovide Mercredi, the newly elected national chief of the Assembly of First Nations (page 16). Both men claimed to have developed a new spirit of co-operation. Mercredi, clearly elated, declared that Clark had invited native Canadians to participate as "equals" with the provinces in the negotiation of a new constitution. Then, last week, the situation changed dramatically. Clark told Métis leaders in St. Albert, Alta., that other Canadians "could feel threatened" if the government agreed to their demand that native rights to self-government be recognized in the Constitution. Two days later, Mercredi threatened to boycott future constitutional talks entirely.

The result was a sudden chill between Ottawa and the leaders of Canada's 1.25 million natives. Said Peter Kulchyski, chairman of the native studies department at Trent University in Peterborough, Ont.: "The two sides are now staking out their turf." But in contrast to last summer's confrontations between armed Mohawks and federal and provincial security forces at Oka, Que., and in Montreal, analysts said that there is now widespread support for settling native problems. Added Kulchyski: "This year, there is an appreciation on the part of the Canadian public about the seriousness of native

issues." At the same time, groups in Europe, the United States and the United Nations are pressing Ottawa to settle its native problems.

For their part, the nine provincial premiers meeting in Whistler, B.C., this week planned to talk to leaders of four national native groups about constitutional issues. (Quebec's Robert Bourassa is boycotting provincial constitutional discussions.) Earlier this month, Ontario officials acknowledged that natives do have the right to self-government—and added that a new constitution should make that clear. Natives will also have a formal opportunity to lay their grievances before the federal government when the Prime Minister's Office announces the membership of a Royal Commission on Aboriginal Affairs, first promised last spring. Said Ottawa-based native affairs expert David Hawkes: "Last summer, there didn't appear to be any opportunities for solving the problems. This summer, there are."

At the same time, Canadian natives are taking their domestic complaints before international bodies in Europe and the United States. Representatives of Quebec's Cree complained earlier this year to a UN working group studying indigenous peoples that the province's plans for a massive new hydroelectric project in the James Bay region will endanger their traditional lifestyle. The Geneva-based UN group has not made its conclusions public. But last month, two other UN agencies criticized the provincial leaders for what they said was a failure to consider native interests during planning for hydro developments.

Quebec's determination to expand its northern hydroelectric operations over the objections of natives is also drawing critical attention in the United States. Officials of the energy committee of the New York state assembly announced last week that hearings will be held in September on the \$17 billion worth of hydroelectricity contracts that the state has signed with Hydro Quebec. A committee spokesman said that the hearings could lead to a postponement of the 21-year contract.

Indeed, Parti Québécois Leader Jacques Parizeau, citing the sympathetic hearing that Quebec's Mohawks and Cree

have received in other countries, last week urged the Bourassa government to resolve its differences with native Quebecers. Declared Parizeau: "These things are being discussed in Ottawa, New York, Geneva, just about everywhere but here. We look damn foolish." For his part, Quebec Environment Minister Pierre Paradis appeared to bow to the mounting pressures, announcing last week that construction of the \$12.7-billion Great Whale project would be halted until the completion of a full environmental assessment.



Quebec has clearly become a critical focus of native concerns—both for its treatment of native groups and for its status at the planned constitutional talks. Mercredi last week underscored native desires to be treated as equals with Quebec in the talks. Said the native leader: "The federal cabinet should look at itself as an advocate for the native people as well, and not just for the province of Quebec."

But in his St. Albert speech, Clark outlined the limits of Ottawa's willingness to advocate native goals. He declared that only elected federal, provincial and territorial officials would have a direct role in constitutional talks. In later comments, he added that native leaders themselves are divided on how—or whether—to conduct a parallel process that Clark advocates to enable them to develop a common position and make their recommendations to his national unity task force. But Mercredi and other native leaders denied that assertion. Declared Viola Robinson, president of the Native Council of Canada, which represents 750,000 Métis, non-status Indians and status Indians who do not live on reserves: "I don't think aboriginal people are divided, although some people would like to think we are."

At the same time, Robinson was bluntly critical of Clark's apparent change in tone. The federal minister, she told *Maclean's*, had "been seen to be going from one side to the other" on the issue of native participation. And she declared that Clark "will be taken to task in the very near future" if natives conclude that he has not been bargaining in good faith.

Some native leaders claim that Clark initially took a more liberal position towards native participation than the rest of the cabinet was willing to support. One senior native official, who requested anonymity, told *Maclean's* that Clark had "created expectations he cannot fulfil." For her part, Northwest Territories MP and Liberal aboriginal affairs critic Ethel Blondin claimed that Clark's constitutional initiative reflects "a Quebec-driven process" that could provoke sharp native opposition. Declared Blondin: "Native people will not have their agenda sidelined again by anyone."

Still, the division between Ottawa and native groups may be temporary. For his part, Clark planned to meet native leaders—including Mercredi—this week. And some analysts said that after their conference, the premiers may become powerful new allies for the native cause. Said Hawkes: "The native leaders will never achieve their objectives as long as the provinces are on the other side." Still others looked to the forthcoming royal commission on native issues as a crucial means of resolving long-standing grievances between the First Nations and the federal government.

Mercredi also held out an olive branch to Clark. Said the native leader: "We all make statements that we regret after a while; I've done it, too. We can walk together, as the elders say. The objective is to heal a country and to heal a people."

GLEN ALLEN with E. KAYE FULTON and NANCY WOOD in Ottawa

National Notes

A GREEN LIGHT

Federal Environment Minister Jean Charest announced that the federal government will not exercise its legal right to stop construction of Saskatchewan's controversial Alameda Dam, even though Ottawa has not completed a court-ordered environmental assessment. A consultant's report delivered to Charest concluded that delays in construction could result in widespread flood damage in the spring.

LEAVING THE HOT SEAT

Winnipeg Police Chief Herbert Stephen said that he will retire in February, after eight years at the helm of a police force that has been the object of intense criticism. Much of the testimony during Manitoba's Aboriginal Justice Inquiry, which is to issue its report soon, focused on the 1988 Winnipeg police shooting of Indian leader J. J. Harper and racism within the department. Another inquiry, which ended its hearings on July 26, examined why the police arrested Harvey Pollock, the Harper family's lawyer, on sexual assault charges that were later dropped.

ENDANGERED SPECIES

In its annual listing, the World Wildlife Fund added 19 members to the list of endangered species in Canada. Among the new entries on the 211-name list: polar bears, grizzly bears and the eastern spiny soft-shell turtle.

REFUGE AT LAST

An Iraqi couple jailed for two months as security risks after they arrived in Canada a week before the Jan. 15 start of the Persian Gulf War were granted refugee status. An Immigration and Refugee Board panel concluded that the man and his pregnant wife, whose case received widespread publicity, had been persecuted by the Iraqi government.

CHARGES AGAINST A TORY

The RCMP charged Maurice Tremblay, Conservative MP for the Quebec riding of Lotbinière, with defrauding the House of Commons of \$5,000. The money was allegedly used to pay for a trip to Mexico for six members of Tremblay's riding association.

RIISING VIOLENCE

According to a study by the Canadian Centre for Justice Statistics, the violent-crime rate in Canada increased by 59 per cent between 1975 and 1989. The study found that almost all categories of violent crime experienced an increase. The exception: the firearm murder rate, which declined by 38 per cent.

The 'small indignities'

Ovide Mercredi seeks change—without violence

From the outset, conflicting forces set Ovide Mercredi apart. Prohibited from living with relatives on the Grand Rapids Indian reserve in central Manitoba because his father did not satisfy the federal Indian Act's requirements for official Indian status, the young Cree and his family instead lived just outside the reserve's boundaries. Raised at home and on his parents' trapline to speak Cree, he refused to speak at all for a full year after enrolling—at age 7—in the community's only school, where teachers insisted that he speak only English.

Later, when Mercredi entered the University of Manitoba in the early 1970s, he was one of only a handful of natives on the school's campus. By the time he graduated in 1977, there was a thriving native student association at U of M, as well as a department of native studies, largely because of his influence. Recalled Mercredi: "Very early in life, I knew there was a distinction—an artificial one—about Indians that was not a making of my people. But you struggle and you overcome and it makes you stronger." Now, the 45-year-old native-rights activist is at the pinnacle of his power among his people.

In the months ahead, Mercredi and the Assembly of First Nations that he leads will strive to reach a long-sought constitutional accord that will secure aboriginal rights. This week, he will discuss specific native demands with nine provincial premiers meeting at Whistler, B.C. At the same time, the quiet-spoken lawyer is certain to be a pivotal force behind a royal commission into aboriginal rights that the federal government announced last spring. He is putting an individual stamp on hearings under way to survey the constitutional views of Canada's 500,000 officially recognized Indians, as well as thousands more Métis, Inuit and other native groups. For Mercredi, the discussions are elements of an ambitious personal goal: repairing two centuries of increasingly debilitating native dependence on white governments. Said Mercredi: "My challenge for the

next three years is to turn grievances into solutions. The onus is as much on us as it is on the federal and provincial governments."

Indeed, the same events that have forced native issues to the top of the national agenda have also focused attention on the leader of a formerly obscure organization. When he first

tional government policies towards natives.

He is also a complex and sometimes contradictory man. Mercredi's compelling blend of passion and deliberation has captured the imagination of many political analysts—including *Toronto Sun* columnist Douglas Fisher, who compared the slightly built Cree to the biblical Joshua, toppling the walls of Jericho. But some native leaders express concern about Mercredi's personal ambitions—alleging that he harbors a desire to become the spokesman for other native groups beyond the status Indians represented by the assembly. Said one native chief, who requested anonymity: "Ovide goes right to the heart of things quickly because he is marching to his own vision. While

that is a strength if the vision is universally shared, when it isn't it can also alienate those who prefer consensus."

But Mercredi's discipline and personal vision have been tested before. When he was 12, he was already helping his family hunt for the ducks, prairie chickens and rabbits that supplemented larger game in their traditional diet. He recalls that his parents, George and Louise, imparted a keen sense of values to their children. "From them, I learned that we are not inferior, and that no one living thing is better than another," Mercredi told *Maclean's*. "That was a very important philosophy to be ingrained in you as a child." But he added that in the remote region where George Mercredi eked out a small living from his trapline, that conviction was constantly tested by "small indignities." In one instance, administrators misspelled the name of generations of Mercredis who attended the local school, recording it as "Mecredi"—an error that Ovide legally corrected in 1966.

There were more serious setbacks, as well. In 1959, the Manitoba government decided to harness the hydroelectric potential of rapids that ran through the local Cree reserve. The reserve's residents were forced to relocate to an area not far from their original homes. But the development flooded land where many Cree—including Mercredi's father—had traplines. Recalled Mercredi: "What Hydro showed was the dominance of one society over another, a complete disrespect for my people."

In fact, Mercredi—by then 16 and a high-school dropout—and his father benefited more from the development than many of their neighbors. Both went to work for Manitoba Hydro. There, the young Cree quickly demonstrated a

drive that had eluded him at school. Said Lloyd Stevenson, a Peguis lawyer who worked alongside Mercredi on the hydro project: "To me, it was merely work when work was hard to come by. To Ovide, it seemed a challenge."

Still, the hydro project's disruption of native life made a lasting impression on Mercredi's political development. The Cree youngster had already been introduced—through a years-old back issue of *Life* magazine—to the political doctrine of civil disobedience that Indian visionary Mahatma Gandhi had elaborated. Declared Mercredi: "Gandhi's thoughts helped shape my own thinking about political action. [His theories of] nonviolence and coexistence are inherent in our relations with Canadians." After Manitoba Hydro flooded the Cree's ancestral land, however, Mercredi's outlook acquired a sharper focus. "I decided if I were ever to have a position of authority," he recalled, "I would come back and help my people. Now, 26 years later, they are fighting for reparations and planning blockades. That is where I'll be."

At about the same time, Mercredi lost the faith he had in the Roman Catholic religion since childhood. That faith was reflected in his name—adopted from a bishop, Ovide Charlebois, who took Catholicism to northern Manitoba in the early 1900s, adopting many Cree customs and the band's lyrical language. But when non-natives arrived to build and operate the new hydro project, the church reverted to an English mass and dropped its unique Cree services. "The use of Cree became virtually non-existent," Mercredi said. He added: "By

1965, the church had lost its relevance to me."

But his interest in politics was gaining momentum. After entering the University of Manitoba as a mature student, Mercredi quickly organized the growing number of natives on campus into a political association. As its president, he persuaded senior faculty members to attend a native conference at Trent University in Peterborough, Ont., one of the first campuses to offer native studies, in order to convince them to adopt similar programs of their own. By the time he graduated in 1977, the university had established an Indian studies department that, by 1991, had expanded to offer 26 courses on native affairs. Two years after graduation, Mercredi was called to the Manito-

ba bar and quickly found employment as a legal adviser to the Manitoba Assembly of Chiefs, where he helped natives regain control of their own child- and family-service agencies. In the same period, Mercredi met and married his wife, Shelley Buhay, a non-native lawyer. The couple have one daughter, Danielle, 9.

Since his arrival in Ottawa in 1989, Mercredi's determination to follow his own course in pursuit of native rights has sometimes perplexed other aboriginal leaders. Some assembly members expressed impatience last summer when Mercredi disavowed the use of arms by Mohawks manning the barricades at Oka, Que. But Mercredi drew his own hard line last week when he denounced the entire Indian Act—the federal statute that governs most aspects of a status Indian's life—and threatened to boycott the royal commission on native grievances unless its mandate closely followed his assembly's demands. Said one native leader who is critical of Mercredi: "His is not an easy job. But we cannot afford to be inflexible."

But the Cree admirer of Gandhi's doctrine of nonviolence appears unlikely to back away from confrontation. Last week, Mercredi discussed a "national act of disobedience," in which natives would challenge white authority by ignoring federal and provincial laws that restrict native hunting. To the trapper's son from central Manitoba, the issues at stake clearly go beyond the now-silenced rapids of his childhood.

E. KAYE FULTON in Ottawa



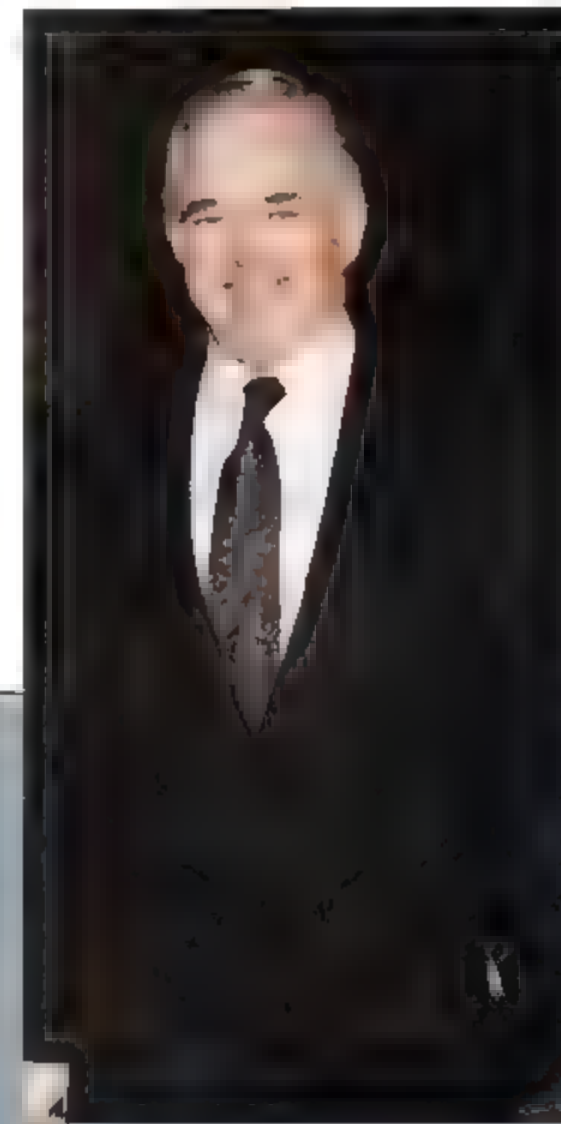
Mercredi with daughter Danielle: "You struggle and you overcome"

SIDDON STANDS BY HIS RECORD

Thomas Siddon became minister of Indian affairs in February, 1990, just months before the summer-long standoff between armed Mohawks and federal and provincial security authorities erupted at Oka, Que. *Maclean's* Ottawa Correspondent Nancy Wood interviewed him last week about the federal government's relations with Canada's native community one year after that crisis.

Maclean's: Many people wrongly predicted that the summer of 1991 would be a long, hot one. Have the problems in Canada's relationship with its aboriginal peoples been resolved?

Siddon: It is not over yet. But aboriginals can see evidence of new financial initiatives. We have announced additional funding for their sewer and water infrastructure, and postsecondary education. Our ministry budget has been growing faster than any other federal budget in a time of restraint. And on the constitutional front, the opening that Joe Clark has offered has helped. [Assembly of First Nations National Chief] Ovide Mercredi said the First Nations want



Siddon: bending to reach agreement

to be part of the main process of constitution-building. In turn, Joe Clark said he wanted Mercredi to bring the aboriginal communities into a common position for this exercise.

Maclean's: But are native people and the federal government too far apart to resolve their differences on land claims, self-government and the Indian Act?

Siddon: Both parties have to bend to create a stronger unity of purpose. That's going to be the ultimate outcome. The idea of governments bestowing solutions on people in need does not work. People need to be a very strong factor in determining their own destiny. Self-determination, to me, is something that can be realized within a framework where we all share in the benefits of uniting together under one Constitution. I have seen aboriginal elders get

up and sing *O Canada*. They are proud to have the Canadian flag.

Maclean's: But there seems to be a new intransigence among the generation of younger leaders. Will they bend?

Siddon: There is tremendous respect for the elders and the wisdom they impart. Aboriginals would tell you that they are peace-loving people who want to find solutions by seeking compromise. The militancy and what we saw last summer [at Oka] was a last resort—an expression of frustration.

Maclean's: After facing international criticism of Canada's handling of the Oka crisis last year, what are you doing now about concerns over the impact of Quebec's Great Whale hydroelectric project on Cree land?

Siddon: There was a tendency to say, "Isn't it terrible the way Canadians are treating their aboriginal people?" But when you look at the support and financial programs we have compared with the United States, our funding is very generous. As for the Great Whale project, the federal government should be more diligent in applying proper environmental processes. Over the past several months, I have advocated—as have other ministers—that the federal government must ensure that these environmental reviews are conducted properly.

A race for second

New Brunswick's premier calls an election

Frank McKenna, New Brunswick's boyish-looking, methodical premier, says that he does not like to leave anything to chance. On May 1, he alerted his Liberal party's provincial election team to prepare for a campaign sometime after Aug. 15. In the months that followed, the Liberals busily nominated candidates and laid strategy for the political battle ahead. Then, last week, McKenna made the campaign official, setting a provincial vote for Sept. 23. That date falls three weeks short of the fourth anniversary of the province's last election, when New Brunswickers turned former premier Richard Hatfield's scandal-ridden Conservatives out of power in a stunning sweep that gave the Liberals all 58 legislative seats. Still, McKenna said last week that he and his party cannot afford to be complacent. Declared the premier: "Winning every seat in 1987 was a freak accident. We are taking nothing for granted this time."

But the Liberals enter the fall campaign riding a wave of scarcely diminished popularity. And McKenna and his government have escaped much of the animosity that many Canadians openly direct against political parties. In fact, a poll released late last month by Fredericton-based Baseline Market Research Ltd. showed that 53 per cent of New Brunswickers would vote for the Liberals. Only 19 per cent favored the Conservatives, while 15 per cent supported the New Democrats and 13 per cent the right-wing, pro-English-language Confederation of Regions Party. That could change dramatically as the campaign unfolds. But even political opponents privately acknowledge that the only real issue may be which party emerges as the official opposition after election day. Said University of New Brunswick political scientist Donald Desserud: "At the moment, this is a race for second place."

The Liberals have maintained their popularity by carefully gauging their policies. Concerned about being labelled an arrogant one-party government, they have clearly tried to respond to public opinion by consulting extensively with citizens' groups. In one gesture, McKenna, 43, allowed NDP Leader Elizabeth Weir, 42, who formerly taught law at the University of New Brunswick, and newly chosen Conservative party Leader Dennis Cochrane, 40, who served as the federal MP for

Moncton from 1984 to 1988, to participate in legislative debates by presenting questions during Question Period and appearing before legislative committees.

Analysts also note that the Liberals have avoided projecting an absolutist image by their pursuit of moderate policies that have alienated few voters. Among their initiatives during the



McKenna: "We are taking nothing for granted"

past four years: adding a kindergarten program to the provincial school system and new environmental legislation, including a law requiring all beverage containers to be recyclable or refillable. Even austere cost-cutting measures may not hurt the Liberals. Indeed, the most dramatic cutback—overriding collective agreements in March to freeze civil-service wages for a year—won the government as many admirers as critics among New Brunswickers. Declared former stockbroker Ste-

phen Savoie, the owner of a small inn in Saint John and a former Tory supporter who voted Liberal in 1987: "They have had the guts to make tough decisions which had to be made."

Meanwhile, the Liberals have largely escaped the type of embarrassing scandals that helped bring down Hatfield's administration. The one exception: allegations earlier this year of partisan hiring practices by executives at the provincially owned New Brunswick Electric Power Commission, a traditional vehicle for patronage appointments. In response to the charges, Liberal MLA Rayburn Doucett resigned from his cabinet-level job as NB Power chairman, and the allegations are now under investigation by the RCMP. But the Liberals limited the political fallout from the affair with an immediate overhaul of NB Power management.

The well-financed Liberals plan to make their record the focus of the current campaign. Their platform stresses job creation, further reform of the province's education system and improvements to its transportation systems. Declared McKenna, in a refrain that he will repeat during the campaign: "It is better to have the government you know than the opposition that you don't."

New Brunswick's other political parties face an uphill struggle after four years of exile from the legislature. In June, the Conservatives may have taken a big step towards recovery by electing the outgoing Cochrane, a former school principal and mayor of Moncton, as their leader. But the government's most persistent critic over its first term has been the NDP's Weir, who plans to run a full slate of 58 candidates. Still, as University of New Brunswick political scientist Condé Grondin noted, "New Brunswickers have traditionally been reluctant to support social democrats."

At the same time, the emergence since the last election of the anti-bilingualism Confederation of Regions (CoR) Party has further complicated the political scene in a province where a third of the residents are French-speaking, many of them Acadian. The party's right-wing platform—CoR is calling for the elimination of official bilingualism and for tighter immigration controls—has won over some disenchanted Tories. But with the other three parties supporting the province's officially bilingual status, language is not expected to emerge as a major issue. Still, Grondin, for one, said that CoR could well win five seats in anglophone areas—an outcome that would eat into potential Conservative support. However the political winds shift, the Liberals seem overwhelmingly likely to return to power—though in a legislature in which they face an elected opposition.

JOHN DeMONT



Mail-sorting station in Toronto: a history of poisonous relations

Trouble in the mail

Canada Post's problems are deep-seated

For the 12th time since 1965, postal workers took to the picket lines in a scenario that has become all too common for Canadians. The critical issues dividing the country's 45,000 postal workers and their managers were familiar: money and job security. Also familiar was the tone of outright hostility. "The parties are not speaking," federal conciliator Marc Lapointe commented in an Aug. 12 report to the federal government. "They are hurling abuse at each other." Canada Post Corp. and the Canadian Union of Postal Workers (CUPW), he added, viewed each other with "contempt, if not palpable hatred." At week's end, that corrosive climate finally took its toll. Even as last-minute contract negotiations continued into the weekend, postal workers across Canada walked off the job in a series of rotating strikes. In some instances, scuffles broke out on the picket line, underscoring widespread warnings that a protracted strike could well be violent. Declared CUPW president Jean-Claude Parrot: "There was no other choice than to put some heavy pressure on Canada Post."

In fact, the dispute that threatened the delivery of bills, personal letters, direct-mail advertising, newspapers and magazines runs much deeper than the fine print of contract language. Since its transformation from a government department into a Crown corporation in 1981, Canada Post has increasingly modelled itself on private business. Directed by the Conservative federal government in 1986 to

end decades of losses, Canada Post president Donald Lander launched an ambitious cost-cutting program, turning over many operations to outside contractors, consolidating services and reducing reliance on full-time employees. Under the leadership of Parrot, CUPW has rejected Lander's vision and the measures designed to implement it. Insisting that the post office operate as a public service, Parrot has fought aggressively to protect existing jobs for union members—and demanded additional ones.

But even that difference does not entirely explain the history of poisonous relations between Canada Post and its workers. Said John Kervin, an expert in industrial relations at the University of Toronto: "There are lots of companies for whom money is nothing but the bottom line. But they aren't faced with this embedded culture of confrontation. There are beliefs and perceptions [on both sides] that go far beyond the immediacy of this contract, no matter what the terms." Kervin and other analysts trace those rancorous differences to a period just after the Second World War, when Ottawa found work for hundreds of returning military officers as post office managers. Their authoritarian management style antagonized postal employees, who expressed their anger through increasingly militant unions. New tensions surfaced in the 1970s, as the post office introduced more mechanized mail-sorting techniques. Then, with Lander's drive to cut costs, Canada Post closed rural post offices, privatized many retail operations and contract-

ed out some delivery services. The steps brought the corporation into the black by 1988 (last year, it returned a profit of \$14 million to the federal government from revenues of \$3.7 billion), but further alienated unionized employees.

Events since the last contract between Canada Post and its employees expired in July, 1989, further complicated the current round of talks. For one thing, CUPW has absorbed the 22,000-member Letter Carriers' Union and five other smaller postal unions. According to participants on both sides of the dispute, the sheer complexity of writing a single new contract to cover so many formerly independent bargaining units has slowed negotiations to a crawl. Indeed, the two sides started with more than 300 separate demands to resolve. By the time Lapointe tabled his report, they had been whittled down to 29 major and minor issues, includ-

ing the most contentious ones of job security and staffing on which last week's talks broke down.

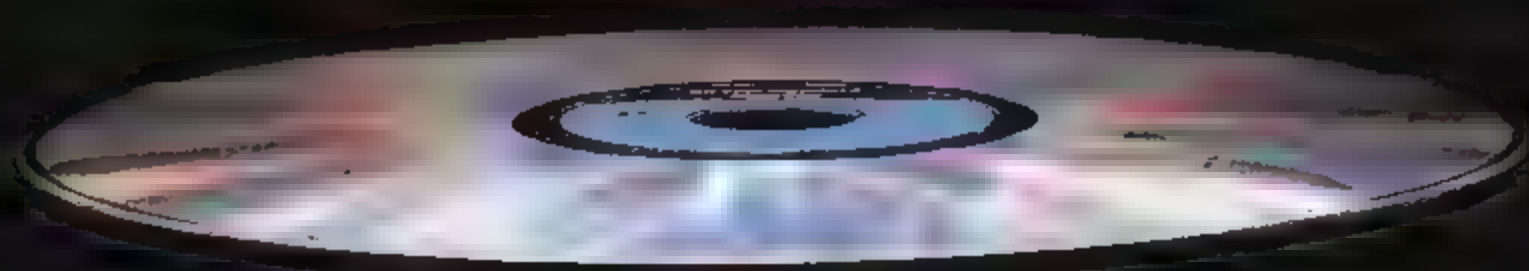
For Parrot, the merger has had mixed results. With his newly expanded membership, he is in a position to shut down almost every post office operation, from selling money orders to delivering handbills. At the same time, many former members of the Letter Carriers' Union remain dissatisfied with CUPW—to the point that many supported a short-lived raid on the postal union in the spring by the International Brotherhood of Electrical Workers. Parrot now has to satisfy both his more militant traditional supporters and the more moderate letter carriers. Pressure to do so, observed William Kelly, a former chief federal labor negotiator, "makes it more difficult to find solutions that will appeal to everyone."

For its part, Canada Post's managers said that they were prepared to weather whatever action Parrot contemplated. Meanwhile, large numbers of employment agencies and numbered companies placed advertisements for casual workers in newspapers across the country, and some job descriptions closely matched those of postal workers. Although Canada Post spokesmen insisted that the corporation was not hiring replacement workers directly, they did not rule the action out. Said Deborah Saucier, an Ottawa-based manager of media relations: "We will rely on whoever we have to in order to keep the mail moving."

A precedent for that was set during the last strike by CUPW in 1987. Canada Post bused in the hundreds of replacement workers that it had hired and used helicopters to move mail out of some major sorting plants over the heads of pickets. That strike ended after 17 days, when Parliament ordered striking employees back to work. Now, a lasting solution to the labor problems of the post office will clearly require more than a single contract settlement.

IRLAN BERGMAN

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THE LAST RITES OF COMMUNISM

THE DEFEAT OF A HARD-LINE COUP BURIES THE HAMMER AND SICKLE

Soviet communism, the political powerhouse either revered or reviled for most of its life, died last week of heart failure and spreading democratic aspirations. Jubilation greeted its passing, which was marked by the flight of coup plotters who had tried but failed to revive communism as a political force. It was 73 years old.

It is survived by 15 million party members, some of them insisting that it is not really dead, and by fervent followers in China, Cuba, North Korea and a few other places. But in the Soviet Union, the force that seized power when the Red Guards stormed Petrograd's Winter Palace in 1917, that wielded its hammer and sickle over the enormous nation for most of the century, succumbed on Aug. 21, 1991, when the coup collapsed. Three days later, Soviet President Mikhail Gorbachev spoke the last rites, not only resigning as party leader but calling for the dissolution of the policy-making Central Committee.

The party's final political act was a coup-makers' amateur hour. The perpetrators, eight grey men in sombre suits, spoke with straight faces of Gorbachev's ill health, then were stricken by a near-epidemic of sudden sickness

Anti-coup protesters atop a Red Army tank in Moscow: Soviet people power



themselves. They did not silence the media, a must-do in the plotters' handbook. They did not lock up the opposition, in particular Boris Yeltsin, the lightning-rod leader of the Russian republic. They seemed almost embarrassed by their cause, acting not in the name of old-line communism but of law and order, and they insisted that they were reformers, too.

The Soviet people—or enough of them to turn the tide—knew better. The people, who until recent years had no history of democratic reform, who had remained markedly apathetic even as their Eastern European satellites toppled one Communist government after another—those same people thronged into the streets, chanted defiance, threw up barricades, stood in the way of tanks. Many Soviet soldiers refused to turn on their countrymen, while the much-feared KGB seemed tattered and toothless. That is what the bungling Gang of Eight

ultimately accomplished: they showed the world—and perhaps the Soviets themselves—how deeply the reformist ethic had become embedded in the national psyche, how moribund communism really was.

But it was Yeltsin who taught that lesson most impressively. Beefy, bellicose, climbing theatrically to the top of a tank, Yeltsin steered the nerves of many Muscovites who, at least in the coup's stunning first day, seemed resigned or openly terrified. He was a freely elected president and his constituents welcomed him as a savior. And when the coup crumbled, Yeltsin, unveiling a new Russian flag, seizing Communist party property, was unquestionably the man of the hour, while Gorbachev, his longtime rival, was a man on the spot.

Gorbachev, the adroit and energetic politician who has already established himself as one of history's giants, returned from Crimean captivity with his office restored but with key questions unanswered. Critics wanted to know why he had surrounded himself with such a treacherous team. Some even accused him of masterminding the coup himself. At the very least they asked, now that the old guard had been vanquished, whether he would finally abandon the middle road for fast-track reform. But to all those who contended that his political career was over, that history had passed him by, Gorbachev's resignation as party leader—one day after insisting that he was a committed Communist—was an eloquent answer. He had made startling shifts before; he could do it again—and prosper.

For Western leaders, the week's events produced a heart-stopping scare. They realized, as perhaps never before, how much of their foreign policy depended upon Soviet liberalization and, to some extent, on Gorbachev himself. The superpower arms-control accords, the freedom of Eastern Europe, even the prospects for a Middle East peace conference—all seemed imperiled by the hard-line takeover, by the threat of Soviet armor crushing protesters like the Chinese in Tiananmen Square. Now, in their infinite relief, Western leaders will have to decide whether more generous infusions of aid would speed reform and stave off national collapse.

The Soviet people, meanwhile, were already discovering the lighter side of their traumatic three days. The conspirators' actions, after all, were seemingly scripted not by Tiananmen-type freedom-bashers but by Woody Allen. How else to explain, after the coup's failure, four of its instigators flying to the Crimea, apparently to plead for Gorbachev's forgiveness? Or the Communist party condemning the coup—hours after it ended? But Soviet-style People Power showed its wrath, as well—Muscovites pulled down the mammoth bronze statue of secret-police founder Felix Dzerzhinsky. The statue was a symbol of state terror, of a Communist system that had oppressed, imprisoned, deprived and even killed its citizens, and that in one remarkable week in August, breathed its last desperate gasp.

BOB LEVIN

World Notes

FIRST AMERICAN POGROM?

Riots erupted in the Crown Heights section of Brooklyn, N.Y., after a car driven by a Hasidic Jewish man went out of control, killing a black child, seven-year-old Gavin Cato. Later that night, black youths allegedly stabbed to death 29-year-old Australian Jew Yankel Rosenbaum—apparently for revenge. Throughout last week, crowds of angry blacks yelled racial epithets and hurled bricks and bottles at Hasidic Jews and police, and at the headquarters of a prominent Jewish sect. Some Jewish residents called the violence “the first American pogrom.”

SUSPECT SUICIDES

The prime suspect in the May 21 assassination of former Indian prime minister Rajiv Gandhi committed suicide along with six associates after a three-hour gunfight with police in the southern city of Bangalore. Sivarasan, a Sri Lankan Tamil, was suspected of masterminding the plot in which a woman suicide-bomber killed Gandhi at an election rally.

CONVICTING A KILLER

A jury convicted Cuban immigrant Julio Gonzalez for setting the fire that killed 87 people in the Happy Land Social Club in the Bronx, New York City, on March 25, 1990—one of the worst mass murders in U.S. history. Gonzalez, 37, who ignited the only entrance to the club with a \$1 can of gasoline after arguing with his ex-girlfriend, faces up to 25 years in prison.

DUBIOUS VICTORY

Mexico's ruling Institutional Revolutionary Party (PRI) swept midterm congressional and state gubernatorial elections. But independent observers and opposition leaders denounced the vote, saying that ballot-box stuffing, repeat voting and other irregularities cast doubt on the results. The PRI has won almost every major election since 1929.

SHATTERED TRUCE

At least 70 people have died in mortar and machine-gun battles between Croatian paramilitary forces and members of the republic's rebellious Serbian minority since Yugoslavia's Aug. 7 ceasefire, according to the national commission appointed to monitor the truce. Meanwhile, members of the country's fractious collective presidency warned that Yugoslavia would no longer be able to meet its international financial obligations if fighting continued. And Croatia's defence minister said that republican forces would launch an offensive against Serbian guerrillas and the military on its territory.

RED IS DEAD

To the roving crowd of thousands, euphoric over having defeated a coup by Communist hard-liners, the bronze statue of Soviet secret-police founder Felix Dzerzhinsky in front of Moscow's KGB headquarters was an irresistible target. First, they painted the word "executioner" on the red granite base. Then, the demonstrators tried to topple the 14-ton figure using cables attached to a small bus. Finally, shortly before midnight, while jubilant onlookers waved the historic white, blue and red flag of the Russian republic, five cranes hoisted the statue by one arm and lowered it onto a flatbed truck that hauled it away to be melted down. Watching it go, Irina Chernova, a retired schoolteacher whose father died in a Stalinist forced-labor camp in 1940, declared: "We cannot have monuments to the murderers of millions of people." On Sunday, crowds prepared to tear down an even more venerable icon, the statue of the founder of the Communist state, Vladimir Lenin, near the Kremlin. The scenes were reminiscent of the breaching of the Berlin Wall in November, 1989. And at the end of the tumultuous week, Soviet President Mikhail Gorbachev made his own dramatic break from the Communist party: he resigned as its leader and called for its dismemberment.

**'THOSE FOOLS
DOWN THERE ARE
OUT OF TOUCH.
THINGS HAVE
CHANGED.'**

The Soviets' week of destiny not only overturned the right-wing coup, but destroyed 73 years of Communist rule—all in 72 historic hours. In addition to recommending the dissolution of the Communist party's policy-making Central Committee, Gorbachev also ordered the confiscation of all party property and banned party activity in the armed forces and the KGB. At the same time, the president asked his government to resign and he named Ivan Silayev, the liberal Russian prime minister, to form a new one.

Clearly, the week's biggest single winner

was Boris Yeltsin. The silver-haired president of Russia earned lavish praise from Western leaders and his own countrymen for his leadership of the resistance that drove the hard-liners from the Kremlin. The biggest losers were the eight conspirators. One of them, Interior Minister Boris Pugo, shot himself to death; the other seven, including the gang's nominal leader, former vice-president Gennady Yanayev, are now awaiting trial (page 27).

Shaken: But for Gorbachev, whose six years in power had reshaped Soviet society and ended the Cold War, the political future was uncertain despite his dramatic break with communism. "Gorbachev's days are over," declared Latvian Foreign Minister Janis Jurkans when the coup ended. "He is finished as a political leader in the Soviet Union." Although Gorbachev kept his presidency, flying back to Moscow from the Crimean vacation compound where the plotters had kept him under house arrest for three days, he immediately found himself in Yeltsin's heroic shadow (page 32). In fact, at the end of the week, Russian legislators heckled him, Yeltsin upstaged him and a plainly shaken Gorbachev announced that if he should ever have to relinquish power again, Yeltsin would automatically take his place. Yeltsin, in a series of sweeping decrees, suspended the Russian republic's Communist party and shut



Troops in Moscow on Day 1 of the coup: the leaders were inept, the army and the KGB were fatally hesitant

down the Communist newspaper *Pravda*. And although Gorbachev at first insisted that he could reform the party, he stepped down as its leader on Saturday night. "I do not consider it possible to continue to carry out the functions of general secretary," he said in a statement read on Soviet television. The party Central Committee, added Gorbachev pointedly, "did not oppose the coup d'état."

In a sense, the party self-destructed. The coup leaders were inept, the army and the

KGB—the Communists' legendary enforcers—were fatally hesitant and the once-cowed Soviet people carried the day. In the aftermath, the rebellious republics of Estonia, Latvia and later Ukraine, the nation's breadbasket, followed Lithuania in declaring outright independence from the Soviet Union. The push for autonomy among the other 11 republics, notably Georgia and Moldova, is now likely to intensify.

The European Community, which had reacted to the coup by suspending \$2 billion in aid for

the Soviet economy, reversed its position when the takeover collapsed. Germany and Italy urged other Western European nations to join them in a massive effort to rescue the stumbling Soviet economy (page 38). And democratic leaders had a major reason for relief at the coup's failure: Soviet reports said that the conspirators seized Gorbachev's briefcase containing the codes that would be used to launch a nuclear missile strike.

Among the people of Moscow last week,

SEVENTY-TWO HOURS THAT STUNNED THE WORLD

Sunday, Aug. 18

At 4:50 p.m., KGB-led emissaries of eight senior Soviet officials call on President Mikhail Gorbachev at his Crimean

summer home near the Black Sea town of Foros. He spurns a demand to hand power to Vice-President Gennady Yanayev. Gorbachev and family members are held under house arrest by encircling forces, but his 32 bodyguards remain loyal.

Monday, Aug. 19

At about 6 a.m., TASS news agency transmits a decree, dated Aug. 18 and signed by Yanayev, declaring that "for health reasons" Gorbachev's powers have been assumed by the State Committee for the State of Emergency in the U.S.S.R. Tanks and troops enter central Moscow. Officials either close or impose cen-

sorship on news media. At the Russian republic's parliament building, Boris Yeltsin, Russia's president, mounts a tank outside and calls on the people and the military to

resist the "right-wing coup." Vast crowds erect barricades on approaches to the parliament. Yanayev, at a Moscow press conference, denounces Yeltsin's moves. Yeltsin declares that coup leaders and collaborators will be brought

to justice. Amid foreign expressions of support for Gorbachev and Yeltsin, Canada suspends aid.

Tuesday, Aug. 20

On the day that Gorbachev had been scheduled to sign a constitutional treaty to grant

wide new powers to the republics, leaders in Ukraine and Kazakhstan decry the coup. Soviet troops tighten pressure on the Baltic republics, but Estonia declares independence. (Latvia follows suit on Wednesday; Lithuania proclaimed its independence last year.) In Leningrad and Kishiniev, the capital of Moldova, huge crowds hold pro-democracy rallies.

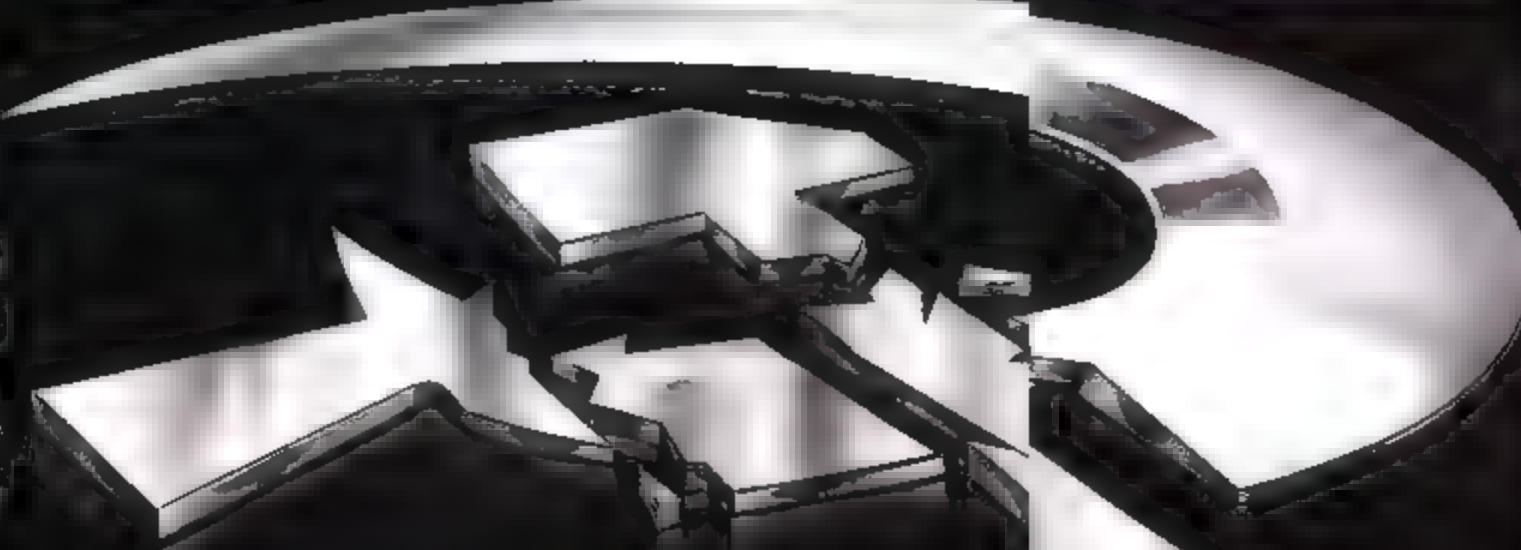
Moscow's military command announces a curfew to run from 11 p.m. until 5 a.m. Wednesday, but crowds at the Russian parliament defy the order. U.S. President George Bush suspends economic aid to Moscow but telephones Yeltsin and tells him that he supports his efforts to restore Gorbachev to the Soviet Union's presidency.

Wednesday, Aug. 21

Soon after midnight, Yeltsin supporters attack tanks with Molotov cocktails. Soviet troops open fire and three civilians are killed. By midday, military forces are leaving central Moscow. A group of coup leaders that includes KGB chief Vladimir Kryuchkov and Defence Minister Dmitri Yazov avoids a pursuing task force led by Russian Vice-President Alexander Rutskoi, a military general, and fly to Crimea in a bid to talk to Gorbachev. The president orders his guards to arrest them. The Rutskoi group arrives to the happy relief of the Gorbachevs, who, 72 hours after their confinement, are free again.



In the following 72 hours, with Yeltsin setting the pace, Gorbachev and the Russian leader instituted a coup of their own. They took steps to reorganize the government, to restructure the nation's federal system—and to dismantle the power of the Soviet Communist party.



A HISTORIC WEEK ENDS WITH GORBACHEV'S DRAMATIC RESIGNATION

complaints about food shortages and economic uncertainty were swept away. On Staraya Square, the site of Communist party headquarters, a crowd of 2,000 people cheered as Moscow city officials sealed off the building and legal investigators prepared to search for evidence linking party officials to the coup. The crowds ripped a plaque commemorating 50 years of Communist rule from its site near the Kremlin walls. And to the familiar slogan "Workers of the world, unite" on the base of a statue of Karl Marx, someone had added the

ed by Yanayev, had taken control of the central government because of Gorbachev's "inability for health reasons" to carry on. The announcement added that the committee had declared a national state of emergency, shutting down the opposition—the country's fledgling non-Communist political parties and newspapers, radio and television stations imbued by *glasnost* with the courage to criticize the government. At the same time, employees arriving at the state broadcasting centre found the entrance barred by armed guards. In Moscow's northern sub-



A Moscow woman pleads with a soldier to drop arms: the once-cowed people carried the day

words, "... in the fight against communism."

The atmosphere of celebration had dispelled the nightmare that briefly revived the Cold War's chilling spectre early on Monday morning, Aug. 19. At 6 a.m., Soviet state television broadcast a TASS news agency announcement of Yanayev's declaration that he was assuming the office of acting president because Gorbachev was ill. In a brooding nation scarred for decades by power struggles, it was a stunning moment: exactly 55 years earlier, Josef Stalin had placed on trial the two men who had shared power with him before and after Lenin's death in 1924. Those two, Grigori Zinoviev and Lev Kamenev, were accused of plotting with foreign powers and shot six days later.

Details of the latest political intrigue swiftly followed. At 7:30 a.m., TASS reported that an eight-member group identified as the State Committee for the State of Emergency, head-

ed by Yanayev, had taken control of the central government because of Gorbachev's "inability for health reasons" to carry on. The announcement added that the committee had declared a national state of emergency, shutting down the opposition—the country's fledgling non-Communist political parties and newspapers, radio and television stations imbued by *glasnost* with the courage to criticize the government. At the same time, employees arriving at the state broadcasting centre found the entrance barred by armed guards. In Moscow's northern sub-

Force: From midmorning, events moved rapidly. The coup leaders issued a long, rambling statement which said that Gorbachev's reform policy had "entered for several reasons a blind alley," had left the country ungovernable and had let loose "extremist forces that have embarked on the course towards liquidating the Soviet Union." That was a thinly veiled reference to a treaty giving the Soviet Union's 15 republics greater autonomy, which Gorbachev had originally planned to sign the next day. Shortly after, Soviet troops appeared at the Russian republic's parliament building overlooking a wide bend in the Moscow River, 3½ km west of the Kremlin.

For the men holding shakily to power, that

show of force ultimately failed against a population recently emboldened to speak its mind. Sudden transfers of power were much simpler in the pre-*glasnost* age. In October, 1964, the party leadership simply replaced Nikita Khrushchev (who had also been on vacation, at a seaside villa) with Leonid Brezhnev as Communist party chief and Alexei Kosygin as prime minister—and did not tell the world until two days later. Last week's well-publicized power grab could not have been more different.

Although the organizers had cut off the phones in Gorbachev's luxurious and heavily guarded vacation compound near the Crimean village of Foros, they made no attempt to block telephone communication in other parts of the country or internationally. The result was that Yeltsin, when he was not haranguing his boisterous supporters, kept President George Bush, British Prime Minister John Major, other Western leaders—and, indirectly, the jittery stock markets of New York City, London and Tokyo—up to date on his struggle.

Absurd: There were other missteps, as well. The rebellious leaders effectively shut down critics among the Soviet media and suspended domestic airline travel. Yet they allowed international flights, carrying hundreds of U.S., Canadian, British, French, German and Japanese journalists, to continue landing at Moscow's Sheremetyevo II airport. The Moscow spectacle was broadcast to the entire world. And not all Soviet journalists were silenced. Several who had worked for six banned newspapers began secretly publishing bulletins that they distributed at the

city's subway stations. Muscovites with portable radios tuned to Moscow Echo, an independent station that continued broadcasting until paratroopers seized its transmission centre on Wednesday—when the coup was already crumbling.

A sense of the absurd was evident elsewhere, too. As Soviet security forces deployed across the rebellious Baltic states of Estonia, Latvia and Lithuania, Estonian officials in the capital of Tallinn said that the troops, trying to find out from civilians what was happening in Russia, eagerly read copies of a Yeltsin statement. Between 30 and 50 Soviet paratroopers stormed Estonian television's 22-storey broadcast tower early Wednesday, but Estonian militiamen charged with defending the building took the elevators to the top floor and jammed the doors with wads of paper. The paratroopers then trudged up 21 flights of stairs, only to

Purging the plotters

Swift post-coup purges swept away dozens of senior officers of the Soviet government, the Communist party and official news organs. Most of the coup's eight public leaders were rounded up for trial within hours of the coup's collapse.



Gennady Yanayev, the Soviet vice-president who assumed duties as acting president and signed a decree that set up the eight-man "state of emergency" committee: arrested by security officials.



Valentin Pavlov, Soviet prime minister: under arrest in a Moscow hospital with high blood pressure, which had disabled him early in the attempted coup. Gorbachev dismissed him from office.



Vladimir Kryuchkov, chairman of the Soviet KGB security forces: detained in Crimea as part of a group that sought to talk to Gorbachev. Flown to Moscow for formal arrest and dismissal.



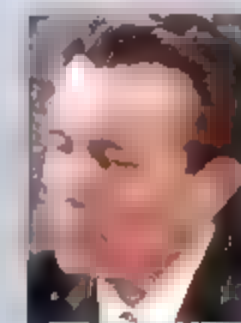
Dmitri Yazov, Soviet defence minister: detained in Crimea, then arrested in Moscow and fired. He and Kryuchkov later expressed regret for their actions in public statements.



Boris Pugo, Soviet interior minister: shot himself fatally in the mouth as security officials went to his Moscow apartment to arrest him. His wife was found gravely wounded nearby.



Oleg Baklanov, first deputy chairman of the Soviet defence council and a member of the Soviet parliament: detained in Crimea, arrested after legal action lifted his parliamentary immunity.



Alexander Tizyakov, president of the Soviet association of state enterprises: detained in Crimea with Kryuchkov, Yazov and Baklanov, then taken back to Moscow for formal arrest.



Vasily Starodubtsev, chairman of the Soviet farmers' union and a member of the Soviet parliament: reported arrested outside Moscow after his immunity was removed by legal action.

find the doors locked. They elected not to shoot their way in, and Estonian officials eventually persuaded them to leave.

But the biggest mistake of all was the failure to neutralize Yeltsin. After dispatching troops to detain Gorbachev, the KGB sent a detachment to arrest the republican president as well. But when the soldiers arrived at his apartment in central Moscow at about 6 a.m., they found that the Russian president had spent the week-

end at a dacha outside the city. From there, he went to the parliament building, where thousands of people had gathered. Around noon, 12 T-72 tanks of the elite Kantimirovsky Guards Division trundled up to the building and were swiftly engulfed in the crowd, which had been growing hourly. When the commander told the demonstrators that he had no intention of shooting Yeltsin, the president appeared, climbed onto the lead tank and demanded that

the coup leaders permit Gorbachev to speak to the nation on television.

As reports of the takeover spread across the Soviet Union late Monday and early Tuesday, hundreds of thousands of demonstrators, defying tanks and soldiers, went into the streets of Leningrad and other cities in the republics of Kazakhstan, Moldova, Ukraine, Estonia, Latvia and Lithuania, whose leaders had condemned the seizure of power. Coal miners in Siberia and

THE REBELLIOUS REPUBLICS



other industrial workers responded to Yeltsin's earlier call for a general strike. But from start to finish, the central drama belonged to the people of Moscow and their vigil around Yeltsin. *Maclean's* Moscow Bureau Chief Malcolm Gray went to the parliament building and found it shrouded by a growing tangle of wire, steel and wood. Gray reported.

Two light tanks, flying the Russian tricolor from their radio antennas, sat in the centre of the barricade. The crews lounged nearby, chatting with civilians who gave them bouquets of red carnations, which the soldiers placed on the gun barrels of the tanks. At the entrance to the building, Russian police officers armed with automatic rifles and submachine-guns cheerfully admitted anyone who claimed to be a journalist. Said one guard: "We make sure that they are not KGB members with concealed weapons, but anyone who says that he is a journalist gets in. We want to have as many witnesses here as possible."

While soldiers on both sides looked on, Russian legislators, using loud-speakers, broadcast appeals for army veterans to help defend the building. Yeltsin supporters began barricading streets with commandeered city buses, trucks and other vehicles. Ivan Lermukov, a 32-year-old electronics technician, was assembling concrete-reinforcing rods from a nearby construction site to strengthen a barrier on Kutozovsky Prospekt. Said Lermukov: "I served in Afghanistan, and I will go to the parliament after I have finished here. I hope that we can convince the boys in the tanks not to attack us, but we will fight if we have to." He jerked his thumb in the



The spot where a man died under a tank: unravelling

direction of the Kremlin and added: "Those fools down there are out of touch. They do not realize that things have changed and we are not going to stay home just because they have sent soldiers into the streets."

On Tuesday, the initially tentative Western response to Gorbachev's arrest gave way to

outraged condemnation, while at the Moscow barricades the crowds continued to swell. An armored column of more than 100 tanks rolled to within a kilometre of Yeltsin's parliamentary headquarters and stopped. Yanayev, apparently trying to placate the demonstrators, issued a statement in which he said that the tanks would not open fire.

Assault: The people, huddling under umbrellas and clear plastic sheeting as protection from the heavy rains, remained silent. In the gathering dusk, about 50,000 of them walked slowly around the muddied parliamentary grounds. Above the smoke from a few small campfires floated a large grey blimp, its tether streaming the flags of Russia, Lithuania, Ukraine, Georgia and Estonia. As Russian legislators delivered speeches of encouragement from the balcony, rumors of an imminent tank assault swept through the crowd. The rumors became more intense after Yanayev's committee announced that a curfew would take effect at 11 p.m. Russian security officials said that Soviet army special forces and KGB units might even attack the building through sewer tunnels.

Inside the legislature, the mood was equally strained. In one room, volunteers made Molotov cocktails, pouring gasoline into empty Soviet champagne bottles and other glass containers.

From time to time, Russian radio and television announcers talked encouragingly over the building's internal broadcast system, which also carried classical music played by cellist Mstislav Rostropovich, who had flown from Paris to spend the night with his countrymen under siege. People passed the time talking,

task: if the coup succeeded, he could be shot for desertion. Repeating the words that were written on a handmade badge pinned to his sleeveless vest, the five-year veteran declared: "The army and the people are one. I could not shoot my fellow citizens."

Many soldiers in the capital took similar action. When the tanks and other armored vehicles had drawn up near strategic intersections in the city centre, hatches popped open and young men clambered out, then talked with the many civilians who urged them to abandon an illegal regime. Some soldiers from the Moscow-area Tamanskaya Division did switch sides, and Amelin led a convoy of 10 armored personnel carriers to defend the Russian parliament building. Even those soldiers who did not openly desert the conspirators quietly expressed doubts that they could shoot civilians. "Our society has changed," said one army captain who was on duty near the Kremlin, "and even we soldiers no longer blindly obey all orders."

The wavering in the ranks, including an order by Gen. Viktor Samsonov, the military commander of Leningrad, to keep tanks out of that city, clearly hastened the collapse of the three-day coup. And with few direct clashes between soldiers and civilians, many members of the military openly expressed their relief at avoiding confrontations as they prepared to return to their bases. And Amelin received a sweeter reward: as Yeltsin spoke in celebration of a victory for democracy, the young soldier stood near him on the balcony of the Russian parliament building. Then, Amelin was introduced to the crowd as the defender of a building that he had been ordered to attack. Said the young sergeant: "I am a simple soldier and I never thought that I would be standing here next to the president whom we elected. But our revolution has made the impossible possible."

MALCOLM GRAY in Moscow

SAVING ENERGY BEGINS AT HOME

AN ADVERTISING AND INFORMATION SUPPLEMENT TO THE SEPTEMBER 2, 1991 ISSUE OF MACLEAN'S MAGAZINE

LITTLE THINGS MEAN A LOT

The average Canadian home uses 40,000 kilowatt hours (kW-h) of energy a year. That's more energy per capita than any other industrialized nation. Ironically, Canada is also a world leader in energy-efficient design.

The R2000 house, for example, uses 27,500 kW-h a year, and annual energy consumption at Advanced House, in Brampton, Ont., is less than 12,000 kW-h. But you don't have to move



to save energy.

"There are many things homeowners and tenants can do to make a home more energy efficient," says Allan Jenkins, program supervisor for the Ontario Ministry of Energy. For example, insulating, sealing leaks and

switching to compact fluorescent and reduced-wattage lighting (see "The Light Fantastic," page 5) can reduce energy consumption by 20 per cent to 30 per cent.

REVOLUTION IN THE RANKS

With his well-muscled physique and neat, sand-colored fatigues, the 23-year-old sergeant could have stepped out of a Soviet army propaganda poster. Instead, Nikolai Amelin, the commander of an armored personnel carrier that military officials had ordered into Moscow to enforce last week's coup by hard-line Communists, stood on a makeshift barricade that Muscovites had erected to stop the army. There, on top of a disabled blue streetcar, one of several commandeered vehicles that blocked the eight lanes of the city's inner ring road, the young soldier urged nearby citizens to help him defend the coup's most prominent opponent, Russian President Boris Yeltsin. Amelin brought the fervor of the newly converted and a huge personal stake to the

Tools of the Trade



For Building an Energy Efficient Lifestyle

Building an energy efficient lifestyle begins with one small step. But once on the path to conservation the benefits are enormous. By learning how each of us can do our part to save energy, we can help preserve our precious natural resources while enjoying significant energy savings.

For over ten years the Canadian Electrical Association has promoted energy efficiency through both residential and industrial programs.

As part of our ongoing commitment, we invite you to contact the CEA or your local utility to obtain your free booklet on energy efficiency in the home.

They're the tools of the trade for becoming energy efficient.



IT'S A WRAP!

If you put together all the drafty cracks and crevices in the average Canadian home, you'd have a gap the size of a window. Fortunately, sealing them is one of the most effective energy-efficiency renovations you can do — and one of the easiest.

"Make sure the envelope of the house is well sealed," advises Jenkins. "There are lots of opportunities to seal leaks, especially in older houses. Caulk and weatherstrip, especially around doors and windows. The inside is most important. Do it first, then you can do the outside, to keep the rain out.

"The next step is to insulate. Do the basement, if it's not finished. You can do more, but costs go up from there." Insulation in the attic should be upgraded, too, if it's inadequate. "You can also insulate the hot water lines and the hot water heater itself, with an approved insulation blanket," Jenkins suggests.



Caulking (above) and programmable thermostats (below) soon pay for themselves with energy savings.

OUT OF HOT WATER

Paying for water based on the amounts used, as determined by water meters, has helped reduce water use in Britain and Europe. The British use about 840 litres per day; the Swiss, just 350. Canadians, however, use an average of 5,000 litres per day. Even if your municipality hasn't yet switched to metered water, perhaps you should consider self-monitoring.

"Repairing drips and leaks, and using an aerator on taps and low-flow shower heads are

all inexpensive methods to reduce water and energy use," suggests Jenkins. You can also reduce water use with a low flush toilet, or by displacing water in a conventional toilet's tank with a water-filled plastic bottle.



STAY IN CONTROL

Regular maintenance of a forced air furnace, such as changing the filter, helps boost operating efficiency.

Using refrigerator, stove and oven thermometers to check the operating temperatures of these appliances is another inexpensive way to save energy, suggests Dane MacCarthy, vice-president of energy management for Ontario Hydro.



"Energy management controls, such as programmable thermostats, are relatively inexpensive ways to reduce energy use. You can set the thermostat lower during the night and set it to warm up the house in the morning.

"Other controls save energy, too, such as motion light sensors that automatically turn on lights when you need them. In the future, we'll see controls that enable you to manage your home energy use from the office."

IT ALL ADDS UP

There are hundreds of ways to save energy — not just with the products you buy, but how you use them. "Saving energy isn't just about buying specific products such as energy saving light bulbs," says Dane MacCarthy, vice-president of energy management for Ontario Hydro. "It takes a change in attitudes and behavior. We need to develop the attitude that we should always be looking for ways to save energy. It's a mind set, not just a bargain on a product."

Saving energy means giving some thought to the everyday things you do automatically. "It means turning off lights when you leave a room and not standing at the fridge with the door open," suggests MacCarthy. "When cooking on a stove top, it means matching the element to the size of the pot. And you don't have to pre-wash that utensil before you put it in the dishwasher." (For information on how to learn more, see "More Clues," page 13.)

Every little bit does help. MacCarthy stresses. "There are lots of little things to do, but people often think they can't make a difference. But when you put everything together, there's a lot of potential."



Natural Gas fireplaces light up the room. Compared with wood-burning fireplaces, they're cleaner-burning and convenient. No wood to haul or chop, no soot or ashes to clean up. For pennies an hour, you can enjoy warmth, beauty

and illusion. Call 1-800-468-1370, Ext. 100 for more information. If you're a Union Gas customer, call or drop in to your nearest Union Gas office or gas fireplace dealer.



Consumers Gas



Saving Energy

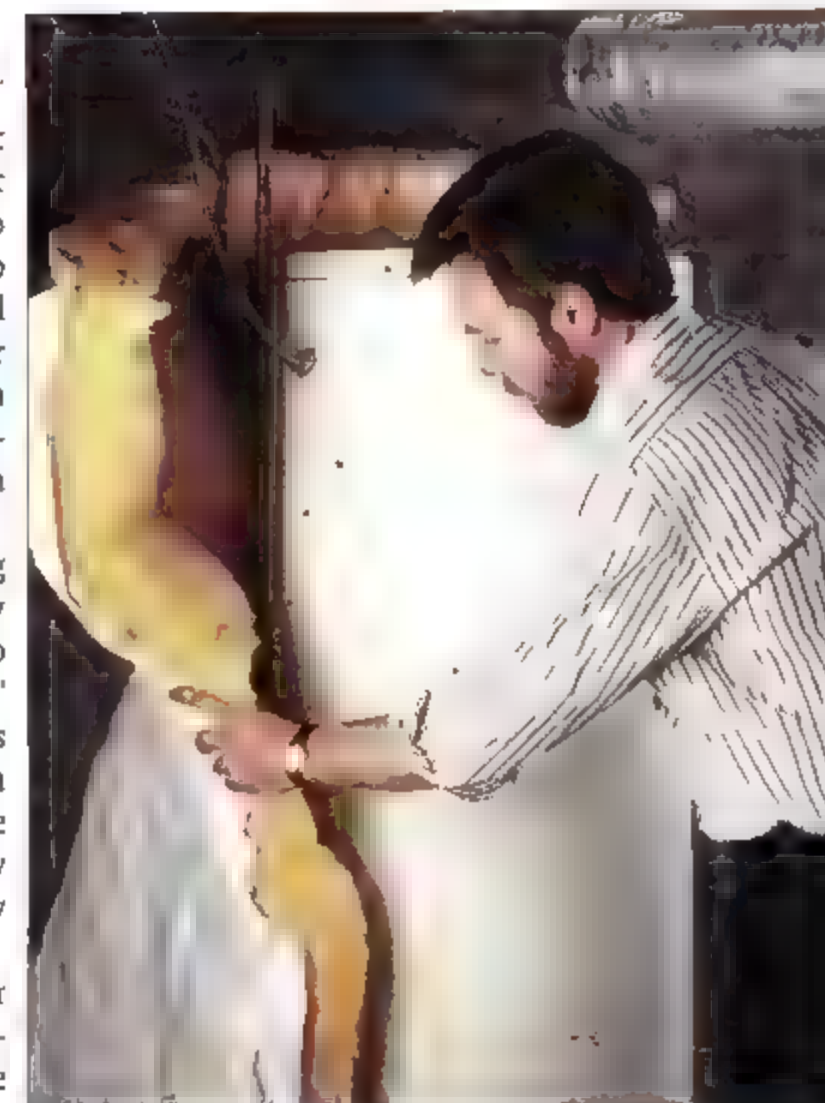
LESS IS MORE

A kilowatt saved is a kilowatt earned. It's electricity that Ontario Hydro doesn't have to produce because Ontario residents have conserved energy or improved their energy efficiency. It even helps to use energy at off-peak times, between 8 p.m. and 7 a.m.

Ontario Hydro is counting on us to cut back. "Energy conservation is the top priority at Ontario Hydro," says MacCarthy. "Our goal is to reduce energy consumption by 4,500 megawatts by the year 2000. That's roughly equivalent to all the electricity needs of Metro Toronto."

We've already reduced our electricity consumption somewhat, MacCarthy says. "We saw a reduction of 200 megawatts last year. Less generation of electricity translates into less sulphur dioxide and carbon dioxide emissions." Reducing energy consumption during peak times reduces the need to rely on fossil-fuel-burning plants to generate the extra electricity needed for peak loads.

Every little bit helps. Ontario Hydro figures show that if each of the 3.5 million homes in



Insulating the water heater and hot-water pipes reduces energy costs. Insulation kits are available for both electric and natural gas heaters. Contact your local utility for information.

ers and tenants recommendations on energy-saving appliances, water heating, lighting, heating and cooling systems, as well as energy-efficient building materials, methods and design. (Other CEA programs cover commercial and industrial energy use.) Information is available through Ontario Hydro (1-800-263-9000) or your local utility.

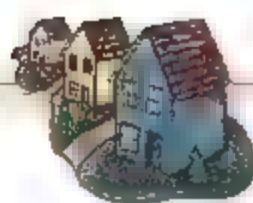
Ontario switched just one 60-watt incandescent light bulb to a 15-watt compact fluorescent bulb, which gives a similar amount of light, we could save 39,000 kilowatts (39 megawatts) — more than enough for Sudbury. If people who used the estimated 1.4 million dishwashers in Ontario all switched from a hot-dry to a cool-dry cycle, we'd save 25,000 kilowatts (25 megawatts). And if Ontario residents gave up their second refrigerators (an estimated 1 million), we'd save 150,000 kW (150 MW).

The Canadian Electrical Association is working to help Canadians learn more about saving energy. The CEA's Energy Efficient "EE" residential program is designed to give homeowners

THE LIGHT FANTASTIC

The energy-efficient compact fluorescent light bulb is the greatest innovation in lighting technology in the last 15 years, but it may not be the solution in every situation. Compact fluorescents work best when they'll be on for at least three hours at a time. But if a light will be turned on and off frequently or left on for only a few minutes — such as in the bathroom, basement or a closet — incandescents are the better choice, says Bernie Taylor, manager of marketing services for Sylvania.

"Our new reduced-wattage incandescent bulbs look like regular incandescent bulbs," says Taylor, "but they use less electricity and last longer: about 2,500 hours compared to 1,000 hours for regular incandescent bulbs. The 34-watt bulb replaces a 40-watt, the 52 watt replaces a 60-watt, and the 90-watt replaces a 100-watt. The savings in wattage aren't as dramatic as compact fluorescents, but then they don't cost as much, just slightly more than an incandescent."



NEW HOUSE ON THE BLOCK

Advanced House is a step forward for energy-saving technology

Advanced House, located in Brampton, Ontario, is one of the most energy-efficient houses in Canada.

Computer simulation predicted an annual energy consumption of 11,221 kW h for Advanced House. At seven cents per kilowatt hour, that translates into an annual energy bill of only \$785, versus \$1,794 for an R2000 home and \$2,862 for homes built to today's provincial building code. That kind of energy savings has attracted a lot of public interest.

"Advanced House had more than 4 000 visitors a week, at first," says Bob Hartogsveld, coordinator of customer services for the Ontario Ministry of Energy. Advanced House is a combined effort of many participants

Insulation levels at Advanced House are higher than Ontario Building Code and R2000 standards. Insulation values of R60 for ceilings and R40 for walls, combined with airtight construction, prevent heat loss.

(including Energy, Mines & Resources Canada, Ontario Ministry of Energy and Ontario Hydro) was open to the public for 12 months before it was sold earlier this year. "Energy consumption was lower than we'd anticipated, but without a family living in it, we didn't get a true picture," says Hartogsveld, who spent most of his weekends at Advanced House when it was open to the public. "No one ever did any laundry there, for instance, but visitors' constant opening and closing of the door added a considerable energy load. We added to the load to be sure energy use was still tested. The computers in the basement will continue to monitor energy use with the new residents for two years."

The new owners aren't the only ones who can benefit from the energy-saving technology in Advanced House. Hartogsveld points out that most of the systems are available to homeowners. "Almost everything there has practical applications," he says. "The integrated mechanical system is the main exception. Everything else is widely available."

The appliances in Advanced House, many of European design but available here, use between

20 per cent and 60 per cent less energy than average appliances, Hartogsveld says. The lighting which is all fluorescent uses 80 per cent less energy and is available from Canadian manufacturers, as are the high-performance energy-efficient windows (see "Window Shopping," page 11).

Airtight construction and high levels of insulation (R40 walls, R60 ceilings and R37 basement) help prevent loss of the heat that is provided, in part, by a sun space that acts as a passive solar collector. Other heat sources are an integrated mechanical system (IMS) designed by a Toronto engineering firm and a Port Colborne-made contra flow fireplace that is 80 per cent to 90 per cent more efficient than many wood-burning stoves.

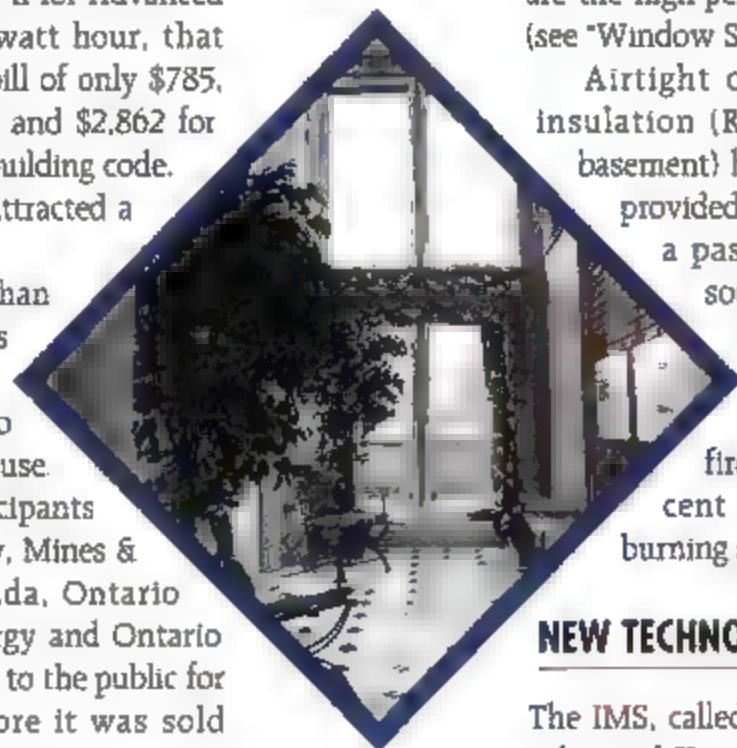
NEW TECHNOLOGY

The IMS, called Solmate, is the only technology at Advanced House that is not commercially available — yet. "We're still working on funding, but we hope to have the system available next year," says Greg Allen, a partner in Allen Associates, the Toronto firm that designed Solmate. "In a mature market, we anticipate it will sell for about \$7,000. That's the same cost as buying the high-efficiency furnace, hot-water heater, and air-conditioning and heat-recovery system it replaces, so there's zero incremental cost."

Once the funding is in place to manufacture Solmate technology on a commercial basis, Allen would like to turn his attention to another project. "I'd love to work on a zero-energy system, one based solely on renewable energy. We already know how to do it."

Allen would like to see such a system available to everyone. The main hurdles are funding and a lack of vision from business and government. Says Allen: "The bottom-line mentality is unfortunate. We need to train ourselves to stop thinking only about the financial implications."

A two-storey sun space at Advanced House opens off the family room and breakfast area. On the south side of the house, it acts as a passive solar collector, storing solar heat for the rest of the house and preheating ventilation air.



BE A POWER SAVER



When you're a Power Saver, you help give tomorrow a hand

Lifestyles may vary widely, but one thing we all share is a need for electricity. From morning showers to the late news, our day depends on electricity, no matter how differently we use it.

Virtually every product or service we rely on today is made, or made possible, with electricity. Electricity helps feed, heat, cool, transport, entertain and even heal. It's the energy we depend on most.

While we enjoy one of the most reliable electrical systems anywhere, severe weather conditions have been known to knock out our power lines to a community. Acquiring the basic necessities of life — heat, food and water becomes a daily struggle. Even reading is a chore, once the sun goes down. Batteries, candles, lanterns and fuel grow scarce.

In Ontario, where reliable electricity has always been the standard, it's easy to take power for granted. But we need more than most, because of our heavy resource industries and cold winters.

So it's not surprising that more of us are becoming aware of how we use electricity. It's part of a growing trend. People everywhere are changing their habits and lifestyles. They don't do without, they just do much more with what they've got.

Power Savers want to use electricity efficiently not only to save money now, but to help Ontario get the most out of its electrical system in the long run. They want their children's future to be as good as the present is for them.



Why should you be a Power Saver?

A province which runs on electricity today, can't afford to run short tomorrow. But in Ontario, climate, population growth and industrial expansion have increased the demand for energy.

There is enough power to meet all of the province's electricity needs today. But we must plan now for the electricity which we, our children, and even their children, will need in the next century.

Building a new generating station is a costly initiative which takes years. But there is something that each of us can do right now to ensure there's more electricity available where and when it's needed.

We can choose to become **Power Savers**, as thousands of other Ontarians already have. By making ourselves better and that choice, we give more power in several ways. Power to ensure a life for ourselves our children. And power that puts money back in our pockets.

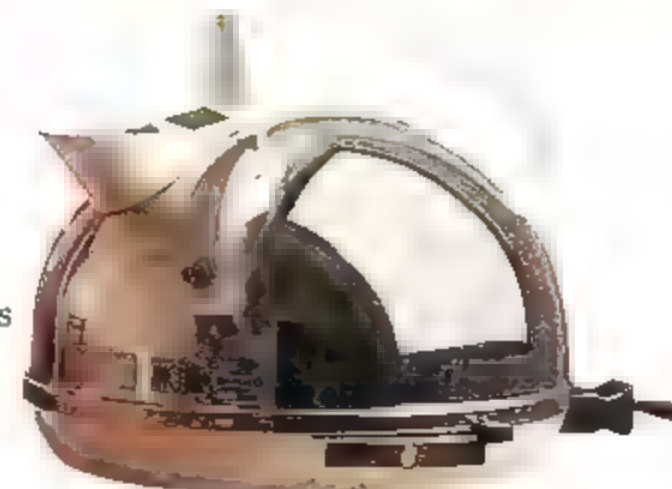
Who are Power Savers?

People who remember to switch off lights or unwatched television sets save power.

They also find ways to save electricity while using it and know that there are almost as many ways to save energy as there are ways to use it in today's world of innovation.

Power Savers don't do without electricity. They make electricity do more by using it better. They look for ways to use electricity more efficiently whether they're at home or at work.

Power Savers look for things like... energy efficient lights that burn just as brightly yet use less electricity... energy-efficient showerheads and laundry appliances that clean with less hot water... refrigerators that keep just as cool with fewer kilowatt hours... insulation and windows that keep out more winter cold and let in less summer heat.



To a Power Saver, energy efficiency is a way of life



Power Savers enjoy life and many of the things electricity brings to it. And they also think of our future. They understand that tomorrow's electricity is as important as today's. That using energy wisely has to become a way of life.

They also install timers to do the job when they aren't there.

Power Savers see the higher price of energy-efficient lighting as an investment in future savings. Halogen, compact fluorescent and energy-saving incandescent light bulbs use less power than regular incandescent bulbs yet produce the equivalent amount of light. They last longer too. It's surprising how many have already found their way into homes.

Power Savers love a hot shower as much as anyone. But they know an energy-efficient showerhead will give them just as good a shower as the old-fashioned kind with only a fraction of the hot water.



Appliances with good EnerGuide efficiency ratings are a good buy, since an efficient appliance can save a lot more on electricity bills down the road.



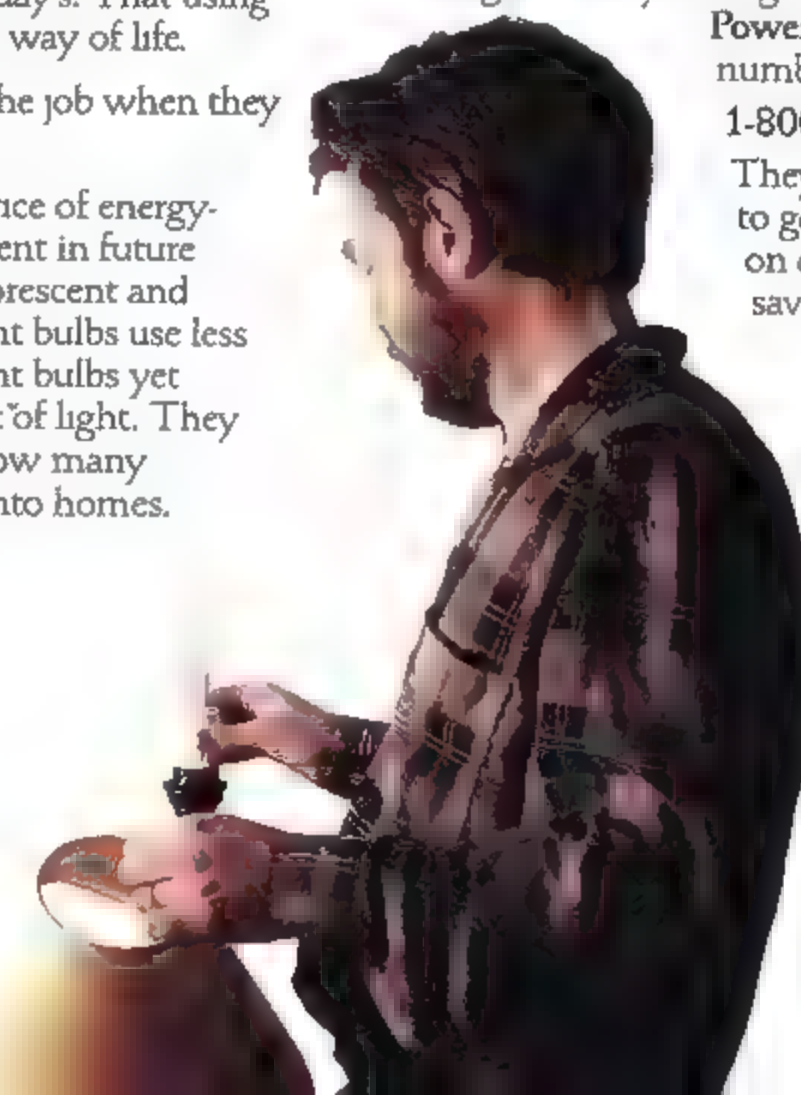
Power Savers go house-hunting where energy-efficient R 2000 homes are built. Or if they renovate an older home, they renovate its energy efficiency too.

At work, **Power Savers** make smart recommendations that save energy and money, including Ontario Hydro incentive programs which encourage better insulation, more efficient lighting, and power-saving equipment and processes.

Power Savers know where to get free, money-saving advice by calling the **Ontario Hydro Power Saver Hotline** number:

1-800-263-9000.

They call it regularly to get information on dozens of power-saving ideas.



Power Savers improve with time.

Next to a new R-2000 energy-efficient home, renovations are the best opportunity to introduce energy efficiency improvements to homes and buildings. **Power Savers** know this because they plan for the long term by building in efficiency improvements which will pay dividends for years to come.

From caulking to cooling, there are many improvements which can increase your energy efficiency. Heat pumps, energy-efficient windows, ventilation fans, energy-efficient lighting, automatic thermostats and new appliances can all help you save energy in the long run.

No renovation is complete unless you renovate your electric wiring as well. But do it right. Make sure the work is completed by qualified electricians and inspected for safety by Ontario Hydro.

*Pour obtenir un exemplaire de cette publicité, des brochures ou tout autre service en français, veuillez nous appeler.

Power Savers call Ontario Hydro when they need help.

Whether you're planning to build or renovate, or just improve your energy efficiency, Hydro wants to help.

Hydro has experts in residential, commercial, industrial and agricultural energy use who can help you identify opportunities to improve your efficiency.

In many cases, Hydro will visit a business and perform a free energy audit to find those savings. And we can point out incentive and payback programs which will make it easier to get the job done.

Help is just a phone call away. If you live in Ontario, please call Hydro toll-free at 1-800-263-9000. Or call our **Speakers Bureau** at the same number to arrange for Ontario Hydro to talk to your organization about energy efficiency. We'll provide you with the latest information about energy efficiency. And we can put you in touch with an expert. There are energy-efficiency programs or information* of interest to you. Call and find out about:

- Renovation • Appliances • New Homes
- Heat Pumps • Energy-efficient Lighting
- Energy efficiency at work



Ontario Hydro
Let's give tomorrow a hand.

RENOVATION INNOVATIONS

With recent technological advances, you can upgrade your home for greater energy efficiency and increased comfort

If you're planning to renovate, it pays to include energy efficiency in your planning. Chances are technology has changed since your house was built. Here's the latest on fireplaces, high-performance windows, high-efficiency furnaces and heat pumps.

HOME IS WHERE THE HEARTH IS

Conventional wood-burning fireplaces send most of their heat right up the chimney, says Gerry Dennis, manager of builder marketing for Consumers Gas. "Many are terribly inefficient. In fact, they can actually lose more heat than they create, drawing air from the rest of the house."

"Architects have said that wood-burning fire-

Traditional fireplaces lose more heat than they make. New cleaner-burning natural gas fireplaces (below) are much more efficient and are practical for both new construction and renovation. Windows (right) can also be real heat losers, but new technology can cut window energy losses in half.



places will become a thing of the past, and I agree. In fact, in the United States, many jurisdictions have already banned or restricted the use of wood-burning fireplaces because of their polluting emissions. And the British Columbia Lung Association has written a report condemning the negative health aspects of burning wood."

Where there's fire, there's smoke, but unlike wood-burning fireplaces, cleaner burning, more-efficient gas fireplaces can be vented and exhausted directly to the outside. And they're practical for both new home construction and

Windows that swing, such as casement windows (right), seal more efficiently than those that slide. Fixed windows (such as the arched one shown here, above the casement windows) are the most efficient, but they're not practical for use everywhere.

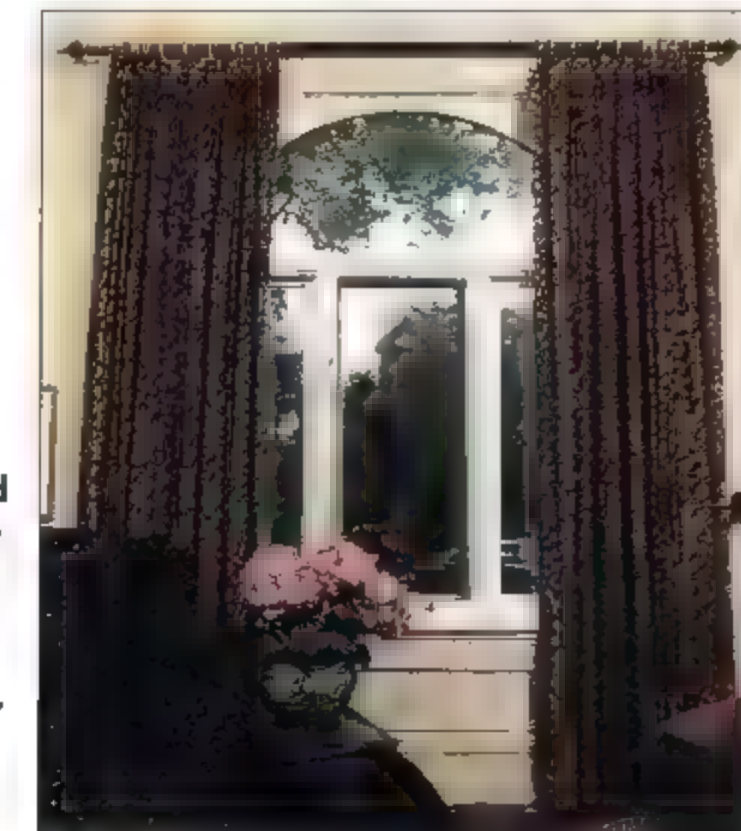
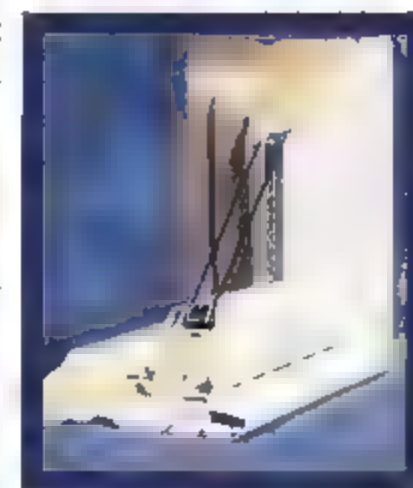
installation in existing homes.

Gas fireplaces, like gas furnaces, have gained popularity, especially in western Canada, as Dennis points out: "It's ironic that, in the West, more people use gas fireplaces than wood-burning ones. As you go east, the number declines. But that's changing."

WINDOW SHOPPING

Canadian homeowners spend more on windows than almost any other renovation product, and it's no wonder: windows are normally the largest contributor to heat loss in an energy-efficient home. New technologies, though, can reduce window energy losses by half.

The high-performance windows used in Advanced House, in Brampton, Ont., have the following state-of-the-art features, all of which are worth looking for when you're (cont. on page



HOUSE DETECTIVE: THE CASE OF THE DISAPPEARING ENERGY

Where were you when the lights were on?

A light left on in an unoccupied room is one of the ways that energy is lost in the home, and there are dozens more. Finding them can take a little detective work, so here are some clues to help you track down how — where — energy disappears.

3 Exterior wall:

Air leaks through cracks, around windows, doors and electrical outlets can lose 25 per cent to 30 per cent of your home's heat. Use weatherstripping, caulking and outlet gaskets to block leaks from the inside.

2 Exterior Doors:

Weatherstrip and caulk to seal air leaks. If you must keep a mail slot or pet door, weatherstrip around it, too.

4 Outside:

Over south-facing windows, deciduous trees block sun in summer but let it in during winter.

On south-facing windows, awnings block sun in summer and let in lower-angled winter sunshine.

Outdoor lighting on timers or with motion detectors uses less electricity; solar-powered lights use none.

Covering a hot tub or heated pool helps retain heat. Solar-powered heaters heat for free.

Air-conditioning accounts for as much as 8 per cent of home electricity use. Keep the central A/C unit in a shaded area, not with a southern exposure. Keep it free of debris.

5 Living room:

A home today has fixtures for about 30 light bulbs. Opt for compact fluorescents and reduced-wattage incandescents. Use bright, directed bulbs and fixtures for task lighting and lower levels for general lighting. Turn them off when not in use.

Conventional fireplaces can actually lose more

heat than they create, operating at -10 per cent to +10 per cent efficiency. Adding an insert boosts that to 30 per cent to 50 per cent; switching to a wood-burning stove gives you more than 60 per cent efficiency.

A programmable thermostat remembers to cut back on energy use for you.

6 Basement:

The water heater is the home's second-highest energy user: it uses 17 per cent to 20 per cent of the total energy consumed. Turn your water heater's thermostat down to 12.2° C. Upgrade the tank's insulation by wrapping it in a fiberglass insulation blanket. Extend the benefits by insulating at least the first two metres of the hot-water pipe.

An ordinary concrete foundation has about the same insulation as a single-glazed window and loses about 20 per cent to 25 per cent of a home's heat. Insulate to the highest R value for your area.

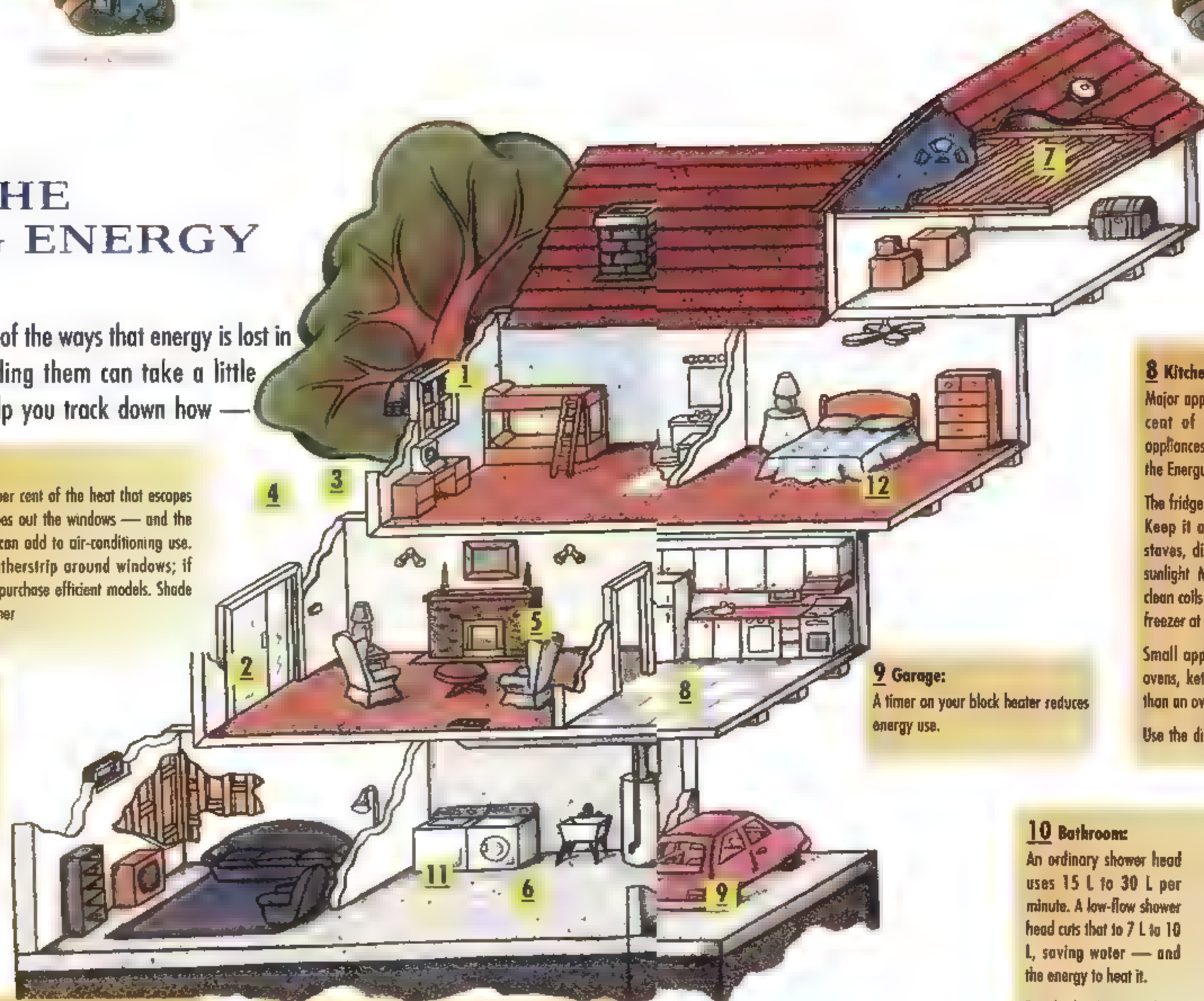
Have your furnace serviced annually, and clean or replace filters regularly.

Seal furnace duct work with duct tape and insulate hot air ducts in unheated areas.

11 Laundry:

Set the water level to match your load and opt for a lukewarm or cold wash and a cold rinse.

Vent the dryer to the outside. Hang laundry to dry, when possible. Keep drying time short and temperature low.



7 Attic:

In summer, attic temperatures can reach 54° C, which heats up your home when you're trying to keep it cool. An attic fan can reduce that by as much as 20° C.

Seal air leaks, upgrade insulation if needed, and protect it with a vapor barrier.

Weatherstrip and insulate your attic hatch.

8 Kitchen:

Major appliances account for as much as 30 per cent of home energy use. When buying appliances, choose energy-saving models. Check the EnergyGuide label.

The fridge uses the most energy of all appliances. Keep it away from heat-generators such as stoves, dishwashers, heating vents and direct sunlight. Make sure the door seal is airtight, and clean coils regularly. Keep the fridge at 3° C, the freezer at -18° C.

Small appliances such as microwaves, toaster ovens, kettles and slow cookers use less energy than an oven or stove top.

Use the dishwasher only for full loads, and skip

the drying cycle. New water-saving models use less water than washing by hand. Models that boost water temperature mean you can set your water heater lower.

The extra insulation in self-cleaning ovens makes them more energy efficient — but only if you don't use the self-cleaning! Use a thermometer to check oven temperature.

Flow-restrictors or aerators on faucets conserve water.

Use a freezer only as large as you need. Chest freezers are more efficient than upright models.

An exhaust fan reduces humidity, which can add to air-conditioning use.

10 Bathroom:

An ordinary shower head uses 15 L to 30 L per minute. A low-flow shower head cuts that to 7 L to 10 L, saving water — and the energy to heat it.

Standard toilets use about 20 L of water for each flush. Displace water in your tank or switch to a

water-saving model, which uses as little as 5 L per flush.

A tap leaking at one drop per second wastes more than 9,000 L a year.

A bathroom exhaust fan helps reduce humidity, which can add to air-conditioning use.

12 Bedroom:

Ceiling fans use less energy than air conditioners for summer cooling and help circulate heat in winter.

More Clues

You'll find many more energy-saving tips in publications from the following organizations:

Energy, Mines & Resources Canada: Phone 1-800-267-5166.

Ontario Hydro: Phone 1-800-263-9000.

Ontario Ministry of Energy: Phone 1-800-ENERGY1.

Consumers Gas: Check local listings.

Using energy-efficient products is a sure way to save money on your utility bill. It's also a way to save the environment.

In fact, energy efficiency is such an important issue that many of Canada's leading power companies have joined forces to promote a program called Power Smart.

What's more, they're working right now with manufacturers and retailers to

promote as many new energy-efficient products as possible. From "smarter" fridges and water-saving showerheads to compact fluorescent lighting and high-efficiency motors.

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YUKON ENERGY CORP.

POWER SMART™
Utilities Dedicated to Energy Efficiency

BUY POWER SMART PRODUCTS AND SAVE.



(cont. from page 11) window shopping.

- 12 mm (1/2 in) spaces between panes (less isn't effective unless filled with an inert gas).
- both spaces filled with argon gas (krypton is more expensive, but is effective in spaces as narrow as 6 mm or 1/4 in);
- two low-emissivity (low-e) coatings;
- low-conduction spacers between panes;
- wood frames (instead of metal, which allows more heat loss)

The glass section of these windows has an insulation value of RSI 1.36 (R7.7), but heat loss through the wood frame and at the edge of the glass result in a net whole-window value of RSI 0.91 (R5.2). That's more than some homes' walls!

POINTS OF VIEW

What a window is made of is just part of the energy-efficiency equation. Where you put them is also important. Most of the Advanced House window area is on the south side, to provide passive solar heat. Triple-glazed windows also result in a net heat gain in walls facing east, southeast, southwest and west.

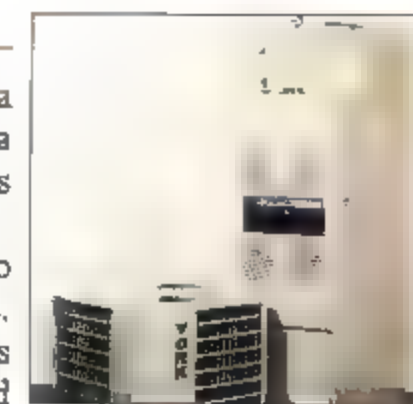
When you're choosing energy-efficient windows, style is a consideration, too. A horizontal sash-less slider, for example, has the highest leakage. Alternatives, in increasing order of efficiency, are double-hung, casement, awning and fixed. Finally, keep energy efficiency in mind when you choose window coverings. Shutters, insulating blinds or shades are both decorative and practical.



A high-efficiency air conditioner and furnace (right) use much less energy. High-efficiency furnaces have seasonal efficiency ratings as high as 98 per cent, in contrast to conventional furnaces with ratings as low as 55 per cent.

THE HEAT IS ON!

If you're in the market for a new furnace, consider a high-efficiency natural gas furnace or a heat pump. Most furnaces in Ontario are fueled by natural gas. That's because natural gas burns more cleanly and costs less than other fuels. Seasonal efficiency ratings range from 90 per cent to 98 per cent for high-efficiency models, compared with 78 per cent to 82 per cent for mid-efficiency and 55 per cent to 65 per cent for older conventional models.



PUMP IT UP!

Unlike a furnace, a heat pump doesn't create heat from burning a fuel. Instead, it pumps heat from the outside — from the air, ground or even water. Since it takes less energy to transfer heat than to produce it, the efficiency of heat pumps is quite high.

Air-source heat pumps are less expensive than other types of heat pumps, but they need some



heating backup. Since, in winter, the ground temperature is higher than the air, ground-source pumps, also called earth energy systems, can meet almost all home heating requirements and generally have enough capacity to heat water as well. Air-to-air pumps cost \$2,500 to \$4,000 installed; ground-source heat pumps range from \$8,000 to \$12,000.

Heat pumps run on electricity, a combination of electricity and gas, or, as in the case of a recently designed model, gas alone. Another major advantage of heating with heat pumps is that the process can be reversed for summer cooling.



THE SECOND PRICE TAG

The amount shown on the price tag is only part of what an appliance will cost you. Most major appliances last several years, and during this time they'll be consuming energy. The amount they'll use depends on their energy-efficiency rating. Check the Energuide tag for the number of kilowatt hours per month an appliance will use. The savings can really add up: you can save more than \$2,000 over the life of the six major appliances:

Appliance:	kW-h/month:	Extra cost over the life of the least efficient:
Washer	50 - 128	\$747
Refrigerator	84 - 145	\$709
Freezer	42 - 64	\$316
Dishwasher	83 - 110	\$240
Dryer	88 - 100	\$148
Range	62 - 73	\$135

Source: Ontario Ministry of Energy.

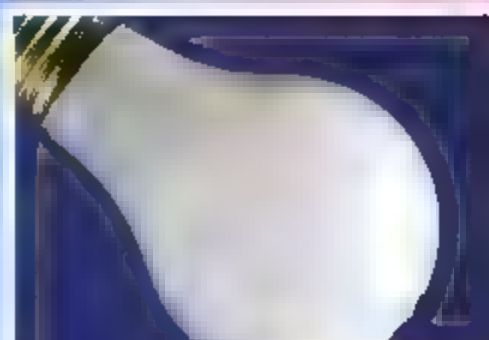


Energy-efficient appliances, though more expensive, cost less over time.

Written by Sara Perks, a Hamilton, Ont.-based freelance writer who specializes in energy efficiency.

Illustrations: Chris Hayes

Energy Savings You Can Bank On



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This 2500 hour krypton-filled bulb, available in 52 and 90 watts energy-saving formats, can reduce energy consumption by as much as 13%.

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This 3500 hour bulb, available in 42 and 72 watts, provides a whiter, more natural light and saves as much as 30% in energy consumption.

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Send us a UPC bar code from a 42 or 72 watt Halogen Capsylite® bulb package and we will send you a cheque in the amount of \$2. OR send us a JPC code from a 52 or 90 watt SuperSaver XL® light bulb package and we'll send you a cheque in the amount of \$1. Purchase your choice of product, cut out the UPC code, fill in the form and return to:

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drinking well-sugared tea and nervously fingering gas masks that had been distributed throughout the building. Chairs and tables had been collected for a barricade. Some people wore bulletproof vests, fearing the worst.

That night, rumors persisted in the face of repeated denials that first one and then another of the conspirators had either fallen ill or resigned. Around midnight, about two blocks from the Russian legislature, a light tank and an armored personnel carrier tried to break through a barrier of 12 buses blocking Moscow's inner ring road. Pro-democracy supporters swarmed around the vehicles, demanding that the crews turn back. Ilya Krichevsky, a 23-year-old architect, shouted through a megaphone: "I am unarmed. Stop." Moments later, he and two other men died under the treads of a wildly manoeuvring vehicle. A soldier was

laughed at the conspirators' claim that he was ill. Finally, as the coup began to come apart, four members of the junta flew to the Crimea to see Gorbachev in an apparent attempt to salvage their careers. He refused to meet them and ordered them detained. Once phone service was restored, his first call was to Yeltsin. In the early-morning hours of Thursday, Gorbachev, dressed in rumpled casual clothes rather than the Savile Row suits that he normally wears in public, flew back to Moscow along with his family and resumed charge of the government. But the ordeal exacted a toll. His wife, he said, "took it very hard," and a presidential spokesman reported on the weekend that she was ill and in hospital.

The presidium of the Soviet parliament convened a special session to restore Gorbachev to the presidency and declare that the coup had been illegal. Foreign Minister Alexander Bess-

Aviy's Ben-Gurion International Airport, Soviet tourists broke into applause when they learned that the coup had disintegrated. Said Moscow jazz musician Arkady Chikoper: "This is a great day for democracy."

Meanwhile, the troops, tanks, trucks and armored vehicles that had remained at their bases in central Moscow since before dawn on Monday began leaving the capital on Wednesday afternoon, and the menace that they had represented dissolved into triumph. With their engines spewing diesel smoke, the vehicles rolled out of Manezh Square, close by the redbrick walls of the Kremlin, past cheering bystanders who shouted "Yeltsin! Yeltsin!" and "Spasebo!"—"Thank you." Grinning tank crews raised their arms in salute and their fingers in V-for-victory signs. "We're leaving," a soldier yelled. "We're leaving forever."

On Saturday, thousands of Muscovites



Yeltsin leading the resistance in front of the Russian parliament: clearly, the week's single biggest winner

killed in a separate incident. As it happened, the coup was already unravelling—and it collapsed on Wednesday afternoon.

Later, a shaken Gorbachev talked publicly about his three days in captivity. He said that at 4:50 p.m. on Aug. 18, a delegation arrived at his Crimean dacha and demanded that he resign and allow Vice-President Yanayev to become president. Gorbachev refused. He told them: "You and those who sent you, you will kill yourselves, but the hell with you. Do what you want to do, but you will also kill the country." The house was surrounded by troops, the telephone lines severed. Inside the dacha, along with Gorbachev, were his wife, Raisa, daughter Irina, granddaughter Anastasia and 32 loyal, armed bodyguards. Some of the guards hooked up old radio receivers, and the captives listened to reports of the coup from domestic and foreign broadcasts, including those of the British Broadcasting Corp. and the Voice of America. Gorbachev said that he

meritnykh, who had also pleaded illness during the uprising, reappeared to predict a return "to common-sense policies." He was too late: the following day, Gorbachev fired him for not having openly opposed the attack.

Triumph: Western leaders were generous in their praise of Yeltsin and the Soviet people. The conspirators, said Bush, "underestimated the power of the people, what a taste of freedom and democracy means." In Brussels, British Foreign Secretary Douglas Hurd said that the Soviets "have shown they are not prepared to see the rewinding of history." Declared Prime Minister Brian Mulroney: "President Yeltsin has been tested in the last 72 hours as none of us has ever been tested." Italian President Francesco Cossiga said that the coup was doomed from the start by the reforms of *perestroika*. Private citizens rejoiced, as well. Five hundred cheering people jammed into the central marketplace in Dresden, formerly in East Germany. And at Tel

turned out for the funeral of the three resisters killed in the confrontation in front of the Russian legislature earlier in the week. The coffins were decked with carnations, and the crowds carried Russian flags and black-bordered portraits of the victims. "I bow low to them for all that they did," said Gorbachev, visibly moved. "And they did everything—they gave their lives," Yeltsin, protected by a bulletproof shield, added a benediction: "Sleep well, our heroes, let the soil be your soft pillow." For the Soviet Union, even in the coup's emotional aftermath, the future promised no rest from political upheaval and economic chaos. But it was also possible to believe that a second Russian revolution—perhaps more promising than the first—was under way.

RAE CORELLI with **MALCOLM GRAY** and **CAROL PATTERSON** in Moscow, **PEETER KOPVILLEM** in Toronto and correspondents' reports



**Baltic rally in Toronto:
shock followed by relief**

the Communist party, they'll probably get more [aid]."

For her part, McDougall initially appeared to adopt a softer stance. While other world leaders were calling for Gorbachev's return, she suggested that Canada might be able to do business with the coup leaders, as long as they adhered to the "principles of nonviolence and reform."

The following day, the government attempted to explain the incident. Mulroney asserted that McDougall had "specifically called for the restoration of Mr. Gorbachev"—a claim that a transcript of the external affairs minister's remarks did not bear out. McDougall also appeared to backtrack. In Brussels for a NATO meeting, she told reporters: "We call for the immediate restoration of President Gorbachev." But the damage had been done. As diplomatic sources reported that McDougall's remarks had been noted abroad, Opposition Leader Jean Chrétien said that the minister's "timid" reaction was an indication that "she threw in the towel."

But many Canadian experts on Soviet affairs said that the controversy was overblown. Noted Paul Marantz, a Soviet studies professor at the University of British Columbia in Vancouver: "She was in a difficult and evolving situation. It was not a major failure." And the coup's collapse quickly eliminated the potential for further trouble. A Mulroney aide said that in a personal and "very emotional" 15-minute phone call to the Prime Minister after the coup's failure, Gorbachev thanked him "for the very strong stand you have taken so quickly and so firmly." And throughout Canada, people greeted the coup's failure with enthusiasm. Said Violet Profis, 31, of Calgary, who immigrated to Canada from the Soviet Union with her husband, Mark, in 1989: "Now they can build a more democratic, freer society."

Still, there remains "a mood of wariness and caution," said Peter Aruvald, secretary general of the Estonian Central Council in Toronto. Added Soviet expert John Thompson, director of Toronto's Mackenzie Institute, an independent organization that studies conflicts and revolutions: "We should be prepared for a lot more troubles in the Soviet Union." Despite the failure of the coup, some Canadians remain unconvinced that the Soviet Union's problems are anywhere near a solution.

GLEN ALLEN in Ottawa
with **PEETER KOPVILLEM** in
Toronto and **JOHN HOWSE**
in Calgary

McDougall: discordant



COVER

ECHOES OF A DISTANT DRAMA

CANADA RESPONDS TO A FAILED COUP

Michael Wishlow of Grand Forks, B.C., learned of the coup in the Soviet Union when his daughter Elaine turned on a 6 a.m. radio broadcast. Said the 80-year-old retired sawmill worker and secretary of the Grand Forks branch of the Canada-USSR Association: "I had a feeling it was coming to that." Just hours earlier, as Carl Jacobsen, a Soviet expert at Carleton University, returned to his Ottawa home from a conference in Bedford, N.S., he too heard reports that Soviet President Mikhail Gorbachev had been overthrown. Like Wishlow, he said that he was not particularly surprised. In fact, he had just delivered an academic paper in Bedford on the immediate prospects for martial law or civil war in the Soviet Union. Said the professor: "I got back here to find that it had just happened."

Still, most people around the world were surprised—and unprepared—by the sudden events of Monday morning. Some, like the crew of the Soviet freighter Khudozhnik Saryan in the port of Montreal, were clearly shaken. Said one of the ship's officers: "I am absolutely surprised and unhappy." Canadians of Eastern European extraction who had followed the Gorbachev years from afar were also incredulous. Said Polish-born Ernst Boehme, 60, the

owner of an eight-room hotel in Wolseley, Sask.: "It was quite a shock for people around here." Indeed, the federal government itself also appeared to be shaken by the Soviet upset, as External Affairs Minister Barbara McDougall responded to the events in a way that seemed at odds with the strongly pro-Gorbachev remarks made by Prime Minister Brian Mulroney.

Softer: From the outset, Mulroney adopted a firm line. "We've got a government that we don't recognize," he declared, "a government that [only] appears to be in control." Indeed, Mulroney temporarily froze the \$175 million in Soviet aid that he had granted a month earlier. But when he learned of Gorbachev's resignation on Saturday as Communist party chief—and the likely demise of the party itself—the Prime Minister said that those developments could lead to more assistance. Mulroney added: "They get rid of

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PROFILES OF COURAGE

YELTSIN AND GORBACHEV DEFY THE ODDS

The two men have shown little fondness for each other. But their lives have intertwined and their odd relationship has shaped the destiny of a declining superpower—and the world. It was Mikhail Gorbachev who made Boris Yeltsin possible. In his efforts to modernize the Soviet Union's beleaguered economy, Gorbachev unleashed liberal forces that shook the foundations of society. Yeltsin was one of those forces. And the maverick Russian leader has strained at the limits of democratization, pressing the Soviet president towards ever more rapid change. But the old guard resisted, and when hard-liners staged a coup last week, it was Yeltsin who helped rescue his rival from the fires of conservative rage. As the flames subsided, it was the image of a besieged Yeltsin, standing on top of a tank and exhorting the nation to defend democracy, that seemed likely to endure. "The fantastic element in this whole putsch," said Helmut Hubel, an analyst at the Bonn-based German Society for Foreign Policy, "is that the leaders didn't understand their enemy was Yeltsin, not Gorbachev."

Even as Gorbachev regained his position in the Kremlin, Western and Soviet analysts predicted that he will be a diminished leader—and that Yeltsin will emerge as the real power in the U.S.S.R. A meeting of the Russian parliament that Gorbachev attended last Friday dramatically underscored that view. Millions of TV viewers watched as raucous Russian deputies repeatedly interrupted the Soviet president's 90-minute speech and thundered a standing ovation only once: when he praised Yeltsin's role in facing down the coup-makers. Then, with Gorbachev still standing at the rostrum, Yeltsin brandished a piece of paper. "On a lighter note," Yeltsin suggested, "shall we now sign a decree suspending the activities of the Russian Communist party?" Gorbachev stammered: "Boris Nikolayevich, Boris Nikolayevich. . . . Not all members of the Russian Communist party took part in the plot." With a flourish, Yeltsin signed the decree anyway.

Hero: The next day, Gorbachev himself resigned as leader of the party, and may have recaptured the political momentum. It was another stunning act in six remarkable years as Soviet leader. In that time, he has abandoned Marxist-Leninist tenets, liberated the media and freed political prisoners. He also withdrew Soviet troops from Afghanistan and allowed Eastern Europe to escape the Kremlin's control, almost single-handedly ending the Cold War. In the process, he became a hero in the West, winning the 1990 Nobel Peace Prize.

But those achievements were a direct assault on the power and prestige of members of the Communist bureaucracy. And, claiming that he was hamstrung by hard-line opposition, Gorbachev took only tentative steps to reform the staggering Soviet economy. As a result, the Soviet standard of living—and with it Gorbachev's popularity—went into free-fall. Late last week, Gorbachev dismissed the men behind the coup and appointed liberal Russian



Gorbachev: plummeting popularity

Prime Minister Ivan Silayev to head a new government. Now, some analysts say, the Soviet leader has a chance to accelerate reforms rapidly. In Ottawa, Joan DeBardeleben, of Carleton University's Institute of Soviet and East European Studies, said that although "the ball is in Yeltsin's court," Gorbachev "can play with him if he has the political courage to do it."

The two men, both 60, became acquainted about 15 years ago while serving as party functionaries in their native districts. Yeltsin, a six-foot, one-inch civil engineer who joined the Communist party when he was already 30, rose through the ranks of the local construction establishment to become party first secretary in the Siberian province of Sverdlovsk. He was, by his own account, a committed Communist—but

but one with a rebellious nature. In his 1990 autobiography, *Against the Grain*, Yeltsin traces his clashes with authority to his childhood, when he was expelled from school for denouncing a teacher as sadistic. On another occasion, he lost his left thumb and a finger trying to dismantle a grenade he had stolen from a storage depot.

Gorbachev, by contrast, joined the Komsomol Communist youth organization in the southern Russian village of Privolnoye when he was 14. After law school at Moscow State University, he returned to his home region to lead the Komsomol in Stavropol. When he became first secretary, Gorbachev acted as custodian of the party's luxurious spas in the area and frequently entertained senior officials from Moscow. Such powerful connections won him admittance to the ruling Central Committee in 1978.

Storm: Seven years later, at the age of 54, Gorbachev assumed the leadership of the Communist party. Hailed in the Western media as the golden hope of Soviet politics, he moved swiftly to consolidate his position, replacing some of the most extreme hard-liners on the Politburo and bringing scores of young Communists to the Kremlin. One newcomer was the first secretary from Sverdlovsk. Boris Yeltsin became Moscow city party chief.

Yeltsin took the capital by storm. He made frequent walking tours, visiting understocked grocery stores and poorly equipped hospitals. He used public transport instead of the Zil limousines reserved for senior party functionaries. And during his zealous and highly public campaign to rid the capital of corruption, he once boasted that he had dismissed 40 per cent of Moscow's bureaucrats.

But Yeltsin's brash populist style clearly irritated his colleagues, and he soon made an enemy of his sponsor. During his first year in power, Gorbachev talked only of *uskoreniye*, or acceleration—tinkering with the old command economy to make it more efficient. Many of the

newer members of his administration openly favored more ambitious plans. But Yeltsin was the most vocal. And even after Gorbachev committed himself to *perestroika*, or restructuring, the Moscow chief, speaking at a meeting of the Central Committee in October, 1987, harshly criticized him for the slow pace of change. In response, Gorbachev expelled Yeltsin from his Moscow post and exiled him to a job in the construction ministry. It was a severe personal blow. "Even now," Yeltsin wrote in *Against the Grain*, "a rusty nail is still lodged in my heart." After his demotion, he entered hospital because of what he called "a physical breakdown."

Yeltsin bounced back 16 months later. And although Gorbachev treated him with open disdain, it was the Soviet leader who made

newspaper *Pravda* to apologize to Yeltsin for describing him as a bourbon-drinking knave during a September, 1989, American tour. He was not taken seriously abroad, either: President George Bush refused to receive him in the Oval Office, although they did have a brief, informal meeting down the hall in national security adviser Brent Scowcroft's office.

Gorbachev also entered the battle. In March, 1990, on the eve of Russian parliamentary elections for the republican presidency, he described Yeltsin as an "anti-socialist" who wanted to break up the union. Yeltsin's victory after a hard-fought three-ballot race underscored Gorbachev's own inability to control the party. It also served to make the Siberian native even more radical. Each of Yeltsin's



Yeltsin during presidential campaign: his image has soared from buffoon to national hero

Yeltsin's political resurrection possible by calling for elections to the newly created Congress of People's Deputies. His official pariah status earned Yeltsin the support of citizens in their first, limited opportunity to cast a ballot against the Communist system. He won 90 per cent of the vote in Moscow and a seat in the lower house of parliament.

The party tried to undermine Yeltsin's popularity. The official media portrayed him as a buffoon. And in one instance, a storm of protest from readers led the Communist party daily

clashes with the Kremlin, said Carleton's DeBardeleben, "reinforced the initial steps he took in 1987 when he distinguished himself among the reformers." Now, she added, "he has virtually disavowed the old system."

That same month, reformers took control of local governments in Moscow, Leningrad and other cities. Republican governments were becoming openly nationalistic. And the Congress of People's Deputies installed Gorbachev in a new executive presidency, removing the party's power to vote him out of office.

Those events intensified the struggle between hard-liners and radicals. At a dramatic party congress in July, 1990, nearly 5,000 delegates argued bitterly over the future of communism. On the 10th day, Yeltsin astonished them by announcing his resignation from the party. He walked abruptly out of the hall—and onto the centre stage of the increasingly powerful radical reform movement.

Gorbachev, meanwhile, clung to a narrow middle ground, leaning first to the right, then to the left, to appease each camp. Last fall, he appeared to embrace the old guard when he rejected a radical 500-day economic plan to transform the Soviet economy into a Western-style free market. He also took men who would engineer the coup against him, including Vice-

President Gennady Yanayev, into his inner circle. In December, his longtime ally Eduard Shevardnadze abruptly resigned as foreign minister, warning that the country was sliding towards "dictatorship." That statement had an eerie resonance in January, when Gorbachev refused to condemn the military assault on a TV transmitter in the Lithuanian capital of Vilnius, in which 14 people died.

Ally: Yeltsin, however, flew to the Baltics to express his solidarity with the republican governments. Relations between the two leaders sank to new depths in February, when Yeltsin accused Gorbachev of amassing "absolute personal power" and demanded his resignation.

In April, however, tensions eased between the two leaders. Gorbachev, apparently feeling that he had the hard-liners under control—in retrospect, a miscalculation—leaned again towards reform. He talked about resurrecting a revised version of the 500-day economic plan. He began seriously negotiating a new union treaty with nine republican leaders that would shift power from the centre to the republics. And Yeltsin, who won the Russian republic's first direct presidential elec-

tions in June, called Gorbachev an "ally."

The hard-liners did not see him that way: they launched their coup the day before the union treaty was to be signed. Yeltsin's defiance in the face of imminent military attack certainly raised his political stock in the country—and abroad. Now, Gorbachev, relieved of the constrictions imposed by the discredited Communist party, will need all of his courage and flair to emerge from the shadow of the Siberian dynamo.

MARY NEMETH with correspondents' reports

BUSH'S SCENT OF VICTORY

THE FAILED COUP POLISHES HIS IMAGE

Storm warnings already hung over the summer White House on Walker's Point outside Kennebunkport, Me., when the telephone in George Bush's book-lined bedroom wakened him a few minutes before midnight. From his hotel down the road, national security adviser Brent Scowcroft informed the President not of the progress of hurricane Bob, but of another, more sinister gale that threatened global havoc. Just minutes earlier, the Moscow station chief of the Central Intelligence Agency had cabled his report of a Kremlin coup to CIA headquarters in Langley, Va., confirming Washington's worst fears. In a stunning predawn strike that caught governments around the world off guard, an unlikely group of Soviet hard-liners had resuscitated the dread spectre of the Cold War and dealt a potentially devastating blow to Bush's vaunted new world order.

Hopes: Over the next hours, as the hurricane lashed the Maine coast and the President sped back to Washington aboard a storm-tossed Air Force One, the political climate looked correspondingly grim. Signaling the gravity, Bush had put on a blazer and tie, a marked contrast to last August's Persian Gulf crisis when he briefed reporters from his golf cart. And later, as critics accused Bush of having counted too much on a single figure, Soviet President Mikhail Gorbachev, then failing to support him with sufficient economic aid, Democrats glimpsed an unexpected break in their gloomy electoral fortunes for 1992. But their hopes proved as short-lived as the coup itself. Three days later, Bush stood outside his Walker's Point house, back in a windbreaker, fresh from a telephone talk with the newly restored Gorbachev—and basking in yet another foreign-policy triumph. "He sort of lucked out again," said William Schneider of Washington's American Enterprise Institute. "This further increases the stature gap between himself and any Democrats who might run against him."

With Gorbachev's announcement last Saturday that he was resigning as Communist party leader, the drama seemed so tidily resolved

that some analysts said that it could have been scripted by Bush's campaign team. "This was a made-for-television coup," said Sovietologist Jerry Hough of North Carolina's Duke University. "It was even the right length for a miniseries: in 72 hours, you had a struggle of good versus evil with the good prevailing and all the action happening at centre stage in Moscow. Now, we even have a new matinee idol."



Bush at his Kennebunkport home: basking in yet another foreign-policy triumph

But as administration officials lavished praise on the man who emerged as the coup's star, Russian republic President Boris Yeltsin, whom they had pointedly snubbed until his election in June, Hough warned against a policy shift based on the drama of TV clips. What ended the coup was a split in the Soviet military, he argued, not the heroism of a man who represents only the Russian republic in the vast Soviet jigsaw. Withdrawing support from Gor-

bachev, Hough said, "could be extremely dangerous—you could get another military coup."

Still, a shift seemed under way in Kennebunkport after the coup's collapse as administration officials began sending mixed signals. Publicly, Bush protested that U.S. policy remained unchanged, and he denied that Yeltsin's new stature diminished Gorbachev's standing. But a senior White House aide privately made clear the administration's disillusionment with the Soviet leader. Speaking on condition of anonymity, the aide criticized Gorbachev for declaring his continued allegiance to the Communist party and called on him to rein in the military and the KGB. When Gorbachev resigned as party general secretary at week's end, the White House applauded. "We welcome this news as another step forward in the reform process," said a written statement.

As for Bush's feelings towards Yeltsin, there has been an undisputed turnabout. Two years after refusing him an official reception in the Oval Office, in part because of an apparent distaste for Yeltsin's hunger for publicity, Bush expressed open admiration for a leader who

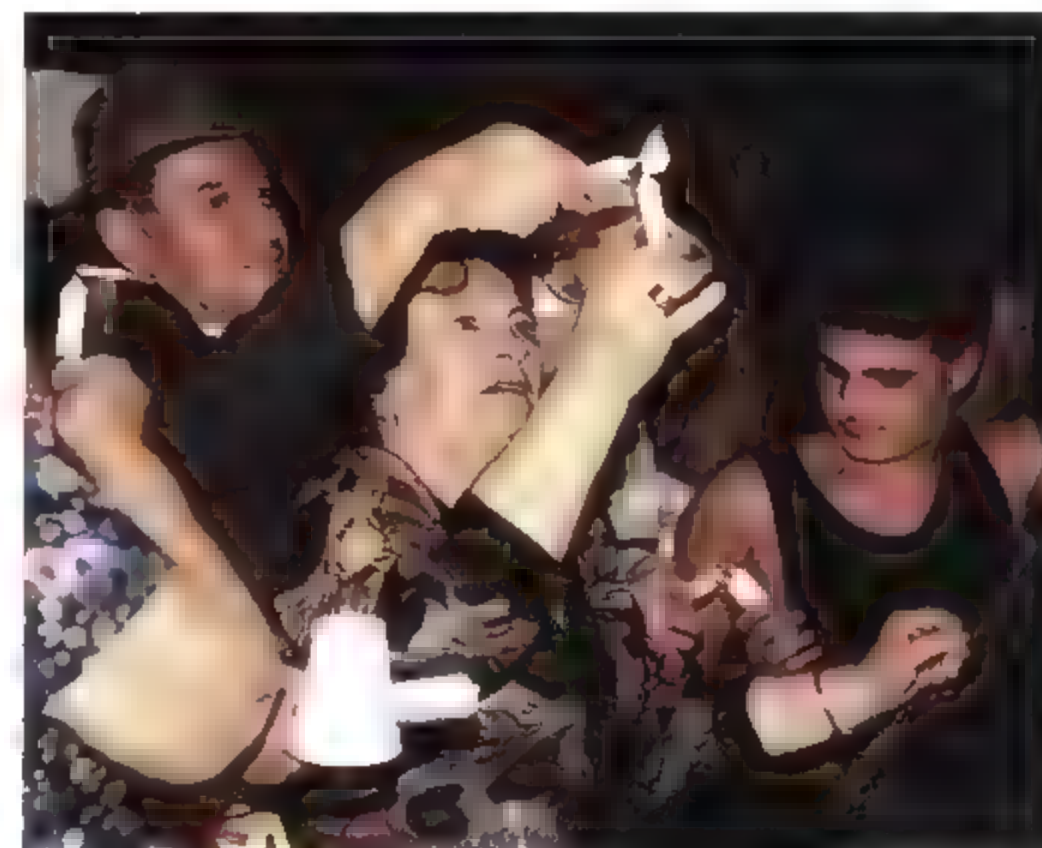
statements with helping to stave off the military crackdown—a tribute all the more welcome to an administration that the coup had apparently caught by surprise.

In fact, while U.S. officials blamed the unravelling of the plot on the coup leaders' disorganization, the Bush administration itself was scrambling to improvise a response. Despite the fact that the CIA had warned about Gorbachev's vulnerability as long as two years ago, policymakers had chosen to ignore his fragility. Said Hough: "They thought the CIA was too alarmist."

Hailed: Even more embarrassing was the fact that only three weeks earlier, during the Moscow summit, Bush had discounted then-Vice-President Gennady Yanayev, who emerged as the coup's figurehead. Greeted at the airport by Yanayev, who also accompanied him on Air Force One to Kiev, the President and his aides privately mocked the Russian-speaking official after their Ukrainian hosts had insulted Yanayev by providing only an English translator.

Adding to the impression of a White House in disarray was the fact that the U.S. Embassy in Moscow was temporarily leaderless. Former ambassador Jack Matlock had left his post, and his replacement, Democratic dealmaker Robert Strauss, had not even been sworn in. Hailed only a month earlier as a brilliant choice to nudge the Soviet Union towards free-market reforms, despite his lack of knowledge of the country, Strauss suddenly appeared to be the wrong man for the job.

At the same time, Bush at first reacted to the coup with characteristic caution, only criticizing "extra-constitutional" developments. But the President's pronouncements soon became increasingly bold. And after summoning Strauss from a California vacation for a hasty swearing-in, Bush dispatched him to Moscow on what he called a "reporting" mission whose



Brighton Beach residents marking the coup's end: no turning back

value was clearly symbolic—instructing him not to legitimize the coup by presenting his credentials. In fact, by the time Strauss landed in Moscow, the coup was already unravelling and Bush's condemnation of it had paid off. When Strauss finally presented his credentials to Gorbachev last Saturday, the Soviet leader pledged to "move quicker to a new economy, a new federation and a new political system."

Despite the relief at that happy ending, most experts predict that the dark remainder of the Soviet Union's volatility could delay congressional ratification of the Strategic Arms Reduction Treaty, which Bush and Gorbachev signed in Moscow last month. "Right now, there's a little nervousness," said Peter Rodman of Johns Hopkins University's Foreign Policy Institute in Washington. "I think the Congress will want to let the dust settle before it rushes to sign anything." And some staunch conservatives pleaded with Bush to block the transfer of militarily relevant technology to the Soviet Union, scheduled to begin in September. Said Frank Gaffney, a former Pentagon official with Washington's conservative Center for Security Policy: "This will permit a complete retooling of the Soviet military-industrial complex. It only makes them more dangerous."

In fact, with the Soviet economy still in shambles, Bush's aides began searching for new ways to hedge U.S. bets against further upheaval. But, buoyed by Bush's call for speeding up Baltic independence, a delegation of Estonians, Latvians and Lithuanians demonstrated outside the White House in another warning of troubles ahead. Brandishing signs that said, "Bush! Bush! Get off your tush! Freedom now!" they served as a vivid reminder that his fate was in many ways inextricably bound to the events unfolding, for good or ill, half a world away.

MARCI McDONALD in Washington

THE PASSIONS OF BRIGHTON BEACH

From the sunny boardwalk cafés that stretch along the Brooklyn beachfront community to the bustling clubs that thrive in the shadows of the elevated subway tracks over Brighton Beach Avenue, the air was electric. Soviet immigrants, most of them Jews who now form the largest Russian community outside the Soviet Union and Israel, crowded around TV sets and pressed transistor radios to their ears last Wednesday to catch the latest news. At the White Acacia Supermarket, customer Felix Kats, 45, grinned broadly when he heard that the uprising against Soviet President Mikhail Gorbachev had crumbled. "It's wonderful," said Kats. "History can't be turned back now—the coup failed because there's a new generation that can smell freedom."

Of the nearly 200,000 Soviets who have immigrated to the United States since the mid-1970s, about 25,000 have moved to New York's Brighton Beach. They call the neighborhood Little Odessa, after the Ukrainian port city. Restaurants serve Georgian specialties from sturgeon shish kebab to coriander-laced beans, and delicatessens sell marinated tongue and tins of Baltic sprat. Under the rumbling din of the trains, where vendors do a brisk business in Russian-language newspapers, most of the conversations flowed in Russian—and concerned events back home.

Even after Gorbachev returned to Moscow, some Soviet-Americans expressed fears about the future. Inside the garish, mirrored Primorski Restaurant, owner Buba Khotoveli stroked the diamond-encrusted leopard head that hangs from a gold chain around his neck. "I have a very bad feeling about what's going on," said the 52-year-old Khotoveli. "I understand one thing: no food, no nothing."

But Pauline Giber, a 59-year-old home atten-

dant for the elderly, appeared more optimistic. "People are hungry," she said, rubbing suntan lotion on her fleshy arms as she sat on the boardwalk, "but they value their freedom." And in the Black Sea Bookstore, where the shelves sag under the weight of anti-Communist literature, the eyes of former labor-camp prisoner Peter Medins welled with emotion when he learned that the Russian people had stared down the plotters' menacing tanks. "On Monday, it was very bad," said Medins, a gaunt 62-year-old truck driver from Latvia. "It was the Stalinst regime back again—the concentration camps, the killings, the lying." Added Medins: "But in these days, there really is a new revolution—not in blood, but in the minds of the people." To the immigrants in Brighton Beach, last week's historic developments were indeed a welcome relief.

HILARY MACKENZIE in Brighton Beach

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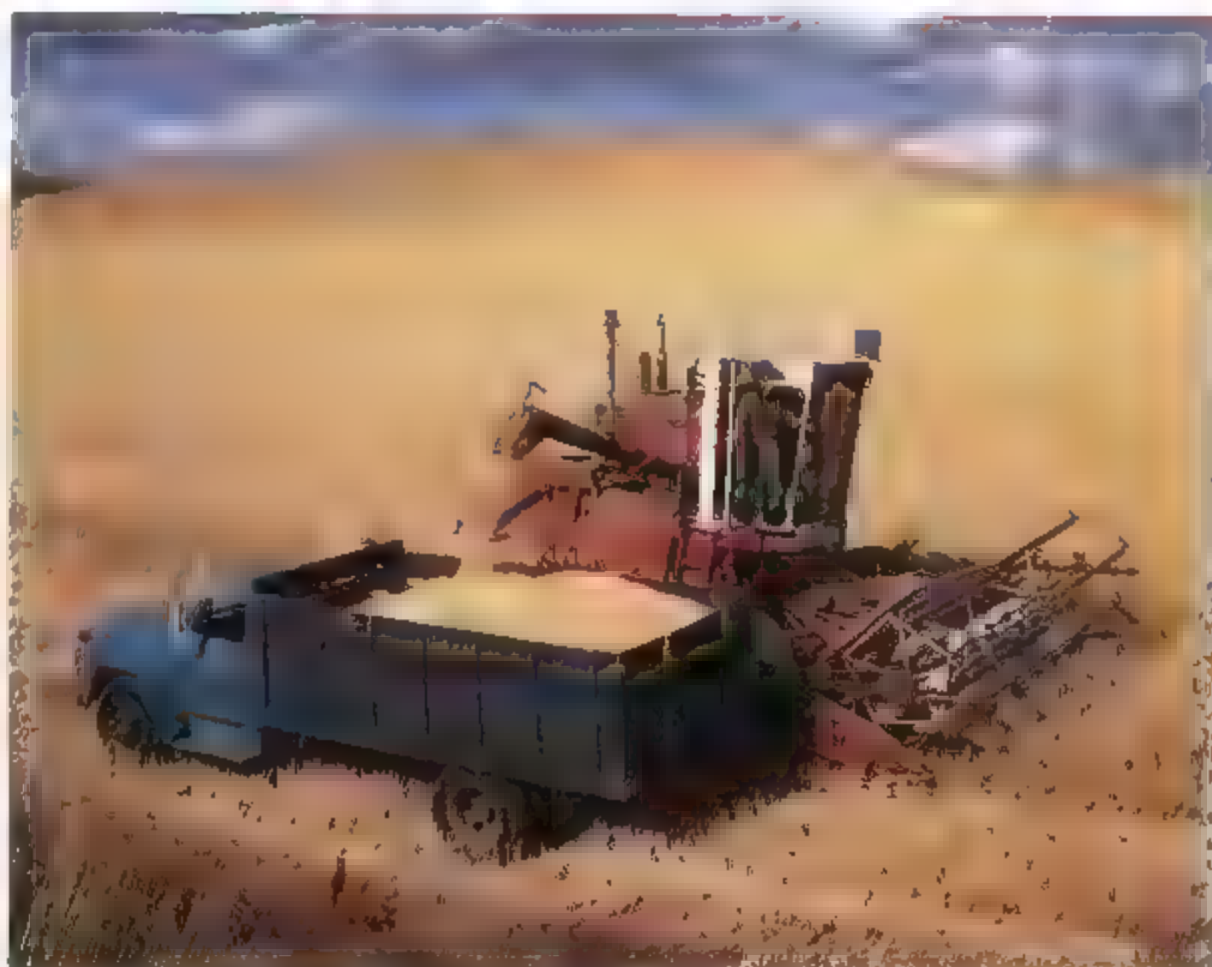
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COVER



Prairie wheat harvest: Western countries reinstated aid after Gorbachev's return

HOW MUCH IS ENOUGH?

THE WEST WEIGHS MEANS OF HELPING

When Soviet President Mikhail Gorbachev met the leaders of the seven leading industrialized countries in London in mid-July, there were warm smiles all around and much talk about the historic nature of the session. But when the handshaking ended at the Group of Seven summit, Gorbachev flew home to Moscow with little concrete help for his efforts to overhaul the Soviet economy. Most G-7 countries, including Canada, expressed the view that substantial financial aid would be wasted until the Soviet Union adopted a far-reaching program of economic reform. But the sharp shock of last week's failed coup against Gorbachev, and his decision to resign as leader of the Communist party, immediately gave fresh impetus to those favoring quicker and more generous Western help. Leading the way was Germany, which had unsuccessfully argued for a larger aid package at the G-7 meeting and which last week openly adopted a we-told-you-so tone. Rudolf Serters, the head of Chancellor Helmut Kohl's office, advised other

Western nations to "consider their share in responsibility" for the coup, and he added: "A people who so bravely resisted deserve a major aid initiative."

Not many Western nations were likely to offer substantial new aid immediately. But the failed coup and the effective end of seven decades of Communist rule clearly strengthened the hand of those countries that have traditionally supported more assistance: France, Italy and especially Germany. British Prime Minister John Major, the current G-7 chairman, last week markedly softened his previous opposition to substantial aid. But the United States and Japan remained openly skeptical, setting the stage for a sharp debate in coming weeks. Prime Minister Brian Mulroney, for his part, said late on Saturday that stripping the Soviet Communist party of power could pave the way for additional financial assistance. Added Mulroney, who in the past had opposed massive Soviet aid as wasteful. "We always viewed it [the Communist party], quite frankly, as a very grave structural inhibi-

tion to the reform of the Soviet economy."

The failed coup, however, may have made it more difficult for Western governments to determine what sort of aid would be most effective. The victory of Soviet reformers increased the likelihood that individual republics will gain greater power at the expense of the central government. In turn, the republics will likely draft their own programs of economic reform. Some may follow the example of Ukraine, which last week announced plans to issue its own currency, while the three Baltic republics may win complete independence much sooner than previously expected. Alan Smith, senior lecturer at the University of London's school of Slavonic studies, pointed out that the republics might develop a confusing patchwork of different budgets, tax systems and legal codes. Said Smith: "It would make it much more complicated to come up with suitable forms of financial assistance."

At the G-7 summit, Western nations offered Gorbachev little: a modest package of technical aid, an associate membership for the Soviet Union in the International Monetary Fund and the World Bank, and more meetings between Soviet and Western officials. The leaders brushed aside Soviet pleas that the country's economy was on the brink of collapse, with rapidly falling production and rising inflation, now at more than 100 per cent a year. Gorbachev, they maintained, was not walking a solidly reformist line as he compromised with hard-liners still wedded to the Communist command economy.

The hard-liners' defeat appeared to make any further compromise unnecessary and it raised hopes for far-reaching market reforms. Major, for one, swiftly altered his approach. Said the prime minister: "Circumstances have changed. Many of the impediments to reform are the people who launched this coup—they will no longer be there." As a result, British officials last week proposed a package of short-term aid.

Misleading: In Ottawa, Mulroney reinstated the \$175 million in technical assistance and trade credits to the Soviet Union that he had frozen after Gorbachev's arrest. At the same time, he rejected as "demonstrably misleading" any claim that Western leaders might have contributed to the coup by not offering Gorbachev more at the London summit. Most analysts say that extra assistance at the time might have been counterproductive. The University of London's Smith, for one, noted that Soviet hard-liners were hostile to Western handouts and might have tried to unseat Gorbachev even earlier if he had won more. Said

Smith: "They thought that kind of aid was degrading."

American and Japanese officials last week held firm against demands for an immediate injection of aid. After the Gorbachev resignation, however, President George Bush said that the United States might "eventually" remove its ban on direct aid. "But," Bush cautioned, "before that we've got to see reforms in the Soviet Union." The President has approved \$1.7 billion worth of credits for grain purchases and he has asked Congress to grant most-favored-nation trading status to the Soviet Union. The reformers' triumph makes it more likely that Congress will pass the measure when it resumes sitting next month. And



Mulroney: wait for reform

enthusiasm for the burgeoning Soviet democracy will make it politically more popular for members of Congress to propose more ambitious aid measures.

Convertible: Still, the West can help in ways that do not involve massive financial infusions. Even many Soviet experts acknowledge that their country's first priority now is obtaining good advice on how to set up Western-style banking systems, stock markets, management training programs and the privatization of business. The Soviets also need advice on how to make the ruble convertible to other currencies, a vital measure to ensure that foreign investors are able to convert their profits to currencies of their choice.

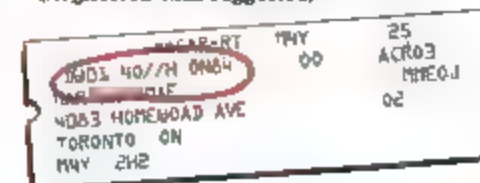
Other aid could be targeted at financing some of the high costs incurred by Western firms attempting to invest in the Soviet Union. Westerners could also help to make the country's inefficient oil-and-gas industry operate more smoothly. Still other help could be aimed at the development of democratic forces. Paul Marantz, a Soviet studies professor at the University of British Columbia, said that giving printing presses to independent newspapers could be a first step in that direction. And in the short run, a poor Soviet grain harvest will almost certainly leave the country in need of emergency food aid during the winter. Still, cautioned Bernard Wood, executive director of the Canadian Institute for International Peace and Security in Ottawa: "We have to recognize that's welfare, that's not development." More substantial help will still depend on the Soviet leadership effectively implementing what Gorbachev so long avoided: a market economy.

ANDREW PHILLIPS in London with
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COVER

'THE LANCING OF A BOIL'

U.S.S.R. INVESTMENT MAY GROW

Since it opened in January, 1990, the 700-seat McDonald's restaurant in Moscow's Pushkin Square has been deluged by hungry and curious customers. But at the height of last week's turbulent political events in the Soviet capital, the long lineups that usually surround the restaurant disappeared. Coincidentally, George Cohon, the president of McDonald's of Canada Restaurants Ltd., which has a 50-per-cent interest in the Moscow restaurant, was vacationing with his wife, Susan, and son, Craig, 28, in the Soviet resort city of Tbilisi, 1,600 km south of Moscow, when the coup leaders announced Soviet President Mikhail Gorbachev's ouster. As panic swept world financial markets, Cohon and his family fled to an undisclosed European destination. And throughout the business world, the crisis led analysts to reassess the merits of investing in the Soviet Union.

For some executives, the attempted coup was a firm warning that the country is too unstable for foreign investment. Even some experienced investors said that future expan-

sion plans are likely to be held up until it becomes clear that the political situation has returned to normal. But in the longer run, many experts predicted that the failed coup would actually improve the investment climate by accelerating the pace of economic reforms and removing from power some of the hardliners who opposed the increasing presence of Western businessmen. Declared Edward Belobaba, a Toronto lawyer who specializes in arranging Canada-Soviet business ventures: "In hindsight, the entire episode is the best thing that could have happened. It was the lancing of a boil."

Furor: Even before the coup attempt, many Western companies were reluctant to invest in the Soviet Union because of increasing doubts about the country's political stability. As well, some executives say that they had detected a growing Soviet backlash against capitalism. Those concerns were underscored by a recent furor over a multibillion-dollar Chevron Corp. plan to develop the huge Tengiz oilfields in Kazakhstan, the largest Soviet business ven-

McDonald's pre-coup lineup: 'fact of life'

ture to date involving a U.S. company. One Soviet newspaper, *Moscow News*, denounced the proposal as a "dirty deal" under which the country's resources would be "plundered and sold for a song." Hard-line Communists in the Soviet bureaucracy had also reportedly tried to block the Chevron plan.

But the coup's failure seemed to stiffen the resolve of Western business. After a sharp drop in share values at the beginning of the week, both the New York Stock Exchange's trendsetting Dow Jones industrial average and the Toronto Stock Exchange 300 index closed the week above their pre-coup levels.

There was a substantial degree of unanimity among Canadian business leaders about future plans for Soviet investment. "We won't change our basic strategy. It is a potentially good market for us," said Maurice Marwood, president of Canadian Foremost Ltd., a Calgary-based oilfield-equipment supplier that has done business with the Soviets for 25 years. Kenneth Rowe, whose Halifax-based aviation company, IMP Group Ltd., owns a 50-per-cent share of a new luxury hotel in Moscow, said his firm would study the political situation closely before deciding when to proceed with additional projects. But he added: "Uncertainty is a fact of life for anyone conducting business in the Soviet Union."

Apocalyptic: Still, Lou Naumovski, executive director of the Canada-U.S.S.R. Business Council, said that he knew of no firms that had decided to abandon their Soviet investments. Naumovski added that the coup's failure may help to transform ordinary Soviets from passive critics of their country's economic problems to active participants in the campaign for reform. Said Naumovski: "The people themselves may be shocked into saying, 'We've got to move faster because the alternatives are apocalyptic.'"

Indeed, a few companies have decided to forge ahead immediately despite the prevailing uncertainty about the direction and pace of Soviet policy. A day after Gorbachev returned to Moscow, Canadian Fracmaster Ltd., a Calgary-based oilfield services company, announced plans for a third petroleum-drilling joint venture in Siberia. "We regard things as very workable," said company spokesman Steve Dudge. For some companies, the potential rewards of doing business in the Soviet Union are clearly worth the risks.

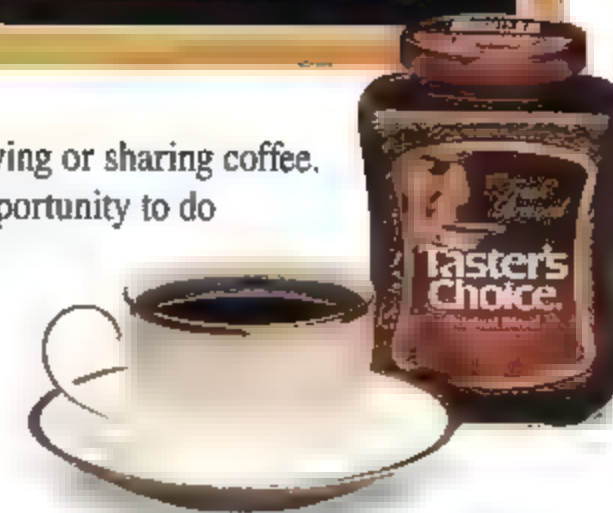
JOHN DeMONT with **WILLIAM LOWTHER** in Washington, **JOHN HOWSE** in Calgary, **NANCY WOOD** in Ottawa and **BARBARA WICKENS** in Toronto

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STEELING FOR A SHAKEOUT

From his 20th-floor office atop the Stelco Tower in downtown Hamilton, Frederick Telmer looks over Lake Ontario's western shoreline. Dominating his panoramic view is Stelco Inc.'s sprawling Hilton Works steel mill, the source of some of Telmer's biggest headaches. As chief executive officer of Canada's second-largest steel producer, Telmer has spent \$127 million in the past year modernizing the Hilton plant and maintaining its aging equipment. Even so, steel industry analysts say that the 1,100-acre facility remains relatively inefficient, with productivity levels well below North American standards. Despite his efforts, even Telmer acknowledges that huge infusions of cash are unlikely to solve Stelco's problems. "The steel business has a voracious appetite," he says. "But you cannot just throw money at a problem—you have to use ingenuity."

The dilemma confronting Stelco is common in Canada's steel industry. For almost two years, the country's steelmakers have been battered by poor sales and depressed prices. Layoffs have reduced the industry's workforce to an estimated 35,000 from 44,000 in 1984. While some analysts have expressed hope that steel's downward spiral may be over now that the North American economy is inching out of the recession, the current situation is still grim: in the first five months of 1991, steel demand in Canada was 13 per cent lower than in the same period a year earlier. Meanwhile, two of the three leading manufacturers are still trying to recover from lengthy strikes. As a result, Canada's major steelmakers face contradictory pressures. They have to upgrade their operations in order to produce better grades of steel and to remain cost-competitive with U.S. steel producers. But they cannot afford to

POOR SALES AND DEPRESSED PRICES CONTINUE TO BATTER CANADA'S HARD-HIT STEEL INDUSTRY

spend heavily on modernization programs as long as sales and prices remain weak.

The immediate outlook is gloomy. Many consumers are heavily in debt and, as a result, will likely be reluctant to resume spending on major steel-content items, such as cars and household appliances. As well, large companies are also short of cash and have postponed plans

to construct new facilities or purchase new equipment.

The litany of problems has left steel company executives cautious about evidence that the economy is poised to rebound sometime soon. Declared Paul Phoenix, chairman of Hamilton-based Dofasco Inc., Canada's largest steel producer in revenues and the fourth largest in North America: "I don't see us pulling out of this in the near future. Orders have definitely stabilized, and there are glimmers of light—but I'll believe it only when I see it." Roger Phillips, president and chief executive officer of Regina-based Ipsco Inc., the country's fifth-ranked steel producer, is also skeptical about the strength of the recovery. He added: "Things are bouncing off the bottom and you get a few blips here and there, but most of it is



Dofasco's Hamilton steel mill: skeptical about the strength of the recovery

just short-lived inventory rebuilding."

The widespread pessimism is firmly rooted in the balance sheets of the major steel companies. Stelco lost \$79 million in the first half of this year on revenues of \$910 million, following a \$197-million loss on revenues of \$2.1 billion in 1990. To finance new modernization programs and pay off some of its debts, Stelco last week announced the sale of \$230 million in new shares. Dofasco, meanwhile, is still trying to recover from the problems caused by its 1988 acquisition of rival Algoma Steel Corp. Ltd., a Sault Ste. Marie, Ont.-based producer that has been suffering from operating difficulties, out-of-date equipment and a history of poor labor relations. Unable to resuscitate the company, Dofasco wrote off its entire \$713-million in-

vestment in January and is now trying to work out a survival strategy for the company with an array of federal and provincial officials, creditors and representatives of Algoma's 7,850 unionized workers.

In the long run, the Canadian steel industry is facing a significant shakeout. Phillips notes that the strong Canadian dollar has made Canadian steel unattractive in export markets, burdening the industry with an overcapacity that will have to be eliminated. "Not all the players are in good shape and not all of them can be supported by the domestic market," he adds. "They need to export. And if they can't export, they will be driven out of business." One

possible casualty is Algoma, whose managers are likely to seek a massive infusion of public money to enable the company to stay in business. Several other small steel-product manufacturers across Canada are also awash in red ink and may not survive.

Stelco's Telmer, meanwhile, is experimenting with a variety of new approaches in order to recover lost ground. Hoping to offset steel's cyclical performance, company officials launched an unsuccessful diversification campaign in 1988. The strategy included a \$15.5-million investment in Clarus Corp. of Toronto, a now-bankrupt holding company, and the purchase of a 50-per-cent stake in Windsor-based

Business Notes

DEALS TAKE FLIGHT

Analysts are divided in assessing the value of an agreement in principle by Air Canada to ally itself with USAir Group Inc., the sixth-largest U.S. airline. Final details of the deal, which encompasses marketing, operations and potential cross-ownership, will be worked out later this year. Some analysts said that it was the best deal Air Canada could make, but others claimed that an accord with an even larger U.S. airline would have given Air Canada greater access to U.S. and other international markets. In the first six months of the year, USAir lost \$258 million on revenues of \$3.7 billion. During the same period, Air Canada lost \$130 million on revenues of \$1.8 billion.

LONG, HOT TALKS

Spokesmen for both Mexico and Canada expressed frustration at the slow pace of the free trade talks after two days of negotiations with the United States in Seattle. Officials from all three delegations said that the three-nation accord may be concluded only by 1993, instead of next year as originally planned. Negotiators are scheduled to meet again in Mexico in October.

UNTANGLING THE BCCI MESS

There was no reason to close the Bank of Credit and Commerce Canada until regulators in Britain seized BCCI's assets on July 5, Michael Mackenzie, federal superintendent of financial institutions, told a Commons committee investigating BCCI's Canadian operations. Mackenzie said that he has no evidence that BCC Canada was involved in the illegal activities that forced the shutdown of its Luxembourg-based parent.

SALOMON'S SCANDAL

Salomon Brothers Inc., the scandal-struck Wall Street brokerage, continued to lose major customers as U.S. regulatory authorities investigated the securities firm's admission of illegal bond deals. Interim chairman Warren Buffett attributed Salomon's violations partly to its "macho culture" and said that he will testify before members of Congress who are trying to reform the government securities market.

SHOPPERS STAY HOME

Retail sales fell 3.4 per cent in June, to \$15.8 billion, from the same month a year ago—dashing hopes that the recovery has taken hold in the industry. In May, Statistics Canada reported that retail sales increased 1.3 per cent from the May, 1990, level.



Telmer: 'use ingenuity'

Kautex Canada, a manufacturer of plastic gasoline tanks. But now, the company is retrenching. Acknowledged Telmer: "It became apparent that we were a steel company, not a conglomerate. We are now consolidating."

Another Telmer initiative is repairing relations with the company's 10,000 unionized workers after last year's bitter 93-day strike. To expedite the healing process, Stelco recently introduced a performance incentive program to reward workers for exceptional productivity. Telmer says that the 1990 strike was "a painful process." He added: "We've learned that we have to work together better, and that our employees have to take a stake in our business."

But labor relations in the steel industry are unlikely to improve significantly as long as steelmakers continue to reduce their workforces. Stelco, which had over 26,000 employees at the beginning of the 1980s, has since cut its ranks to about 13,700. For its part, Dofasco recently enticed 1,000 workers and managers to accept early retirement, leaving it with 9,300 employees, compared with 12,500 in 1980.

Ipsco's Phillips is among those who argue that a reduction of the steel industry's workforce is essential to its survival. "We all have to learn to work smarter, not just harder," he adds. "But at the same time, you cannot just walk in and cut when you want. It has to be handled with humanity." To ease the process, steel companies and labor groups across the country launched a co-operative program in 1988 to develop retraining and outplacement programs for laid-off workers. "We don't want former steelworkers to end up flipping hamburgers," said Leo Gerard, Canadian director of the United Steelworkers of America. In fact, he says, about half of the 6,000 people who have taken part in the program have found jobs that pay them close to a steelworker's typical wage—about \$27 an hour. Gerard adds that his union is braced for further job losses. "It's an inevitable process in all manufacturing industries," he says.

Leading U.S. steelmakers have already successfully made the transition to more efficient production. Confronted with a strong U.S. dollar and increasing competition from steel producers in

such low-wage countries as Korea and Brazil in the mid-1980s, U.S. steel producers were forced to shrink their operations, increase productivity levels and invest an estimated \$21 billion in new equipment and technology. In Canada, however, the decision was postponed because exchange rates in mid-decade favored Canadian exporters. Said David McCracken, a steel industry analyst with Sanwa McCarthy

1989, melt reclaimed scrap metal in electric-arc furnaces. That process is both cheaper and more efficient than the traditional steelmaking method, in which raw ingots are melted in a coal-fired blast furnace.

Although the quality of steel produced by mini-mills still lags behind that of large integrated firms, the cost is at least 20 per cent lower. Moreover, owners of the technology are constantly refining it. Declared Dofasco's Phoenix: "The new mini-mill technology is developing rapidly—almost daily. You have to spend money all the time just to stand still."

To offset the pressures of rapid and expensive changes in technology, both Stelco and Dofasco have formed joint ventures with Japanese-owned partners. Stelco has teamed up with Mitsubishi Canada to operate a \$200-million plant in Hamilton that upgrades the finish on steel sheets used to make automotive body panels. Dofasco, meanwhile, has entered into a similar arrangement as part owner of a \$240-million steel-galvanizing facility now under construction in Windsor, Ont., with NKK Corp. of Japan and National Steel Corp. of Pittsburgh.

But Dofasco and its domestic competitors are clearly waging an uphill struggle. According to a study that was released in May by the Canadian Steel Service Centre Institute, which represents steel producers and buyers, about 130 Ontario manufacturers who used to account for a combined demand of 400,000 tons of flat rolled steel a year have gone out of business or left the country in the past few years. In addition, the strong Canadian dollar and the disruption of supply because of strikes last year at Stelco and Algoma have allowed U.S. and other foreign competitors to make significant inroads in Canada. The share of the domestic market captured by imported steel jumped to 25 per cent in 1990 from 19 per cent in 1989. Said Phoenix: "Once you lose a customer, it's hard to win him back. It can be done, but it's tough." Far from savoring a recovery, Phoenix and his competitors may have to fight even harder in the years ahead simply to hang on to their market share.

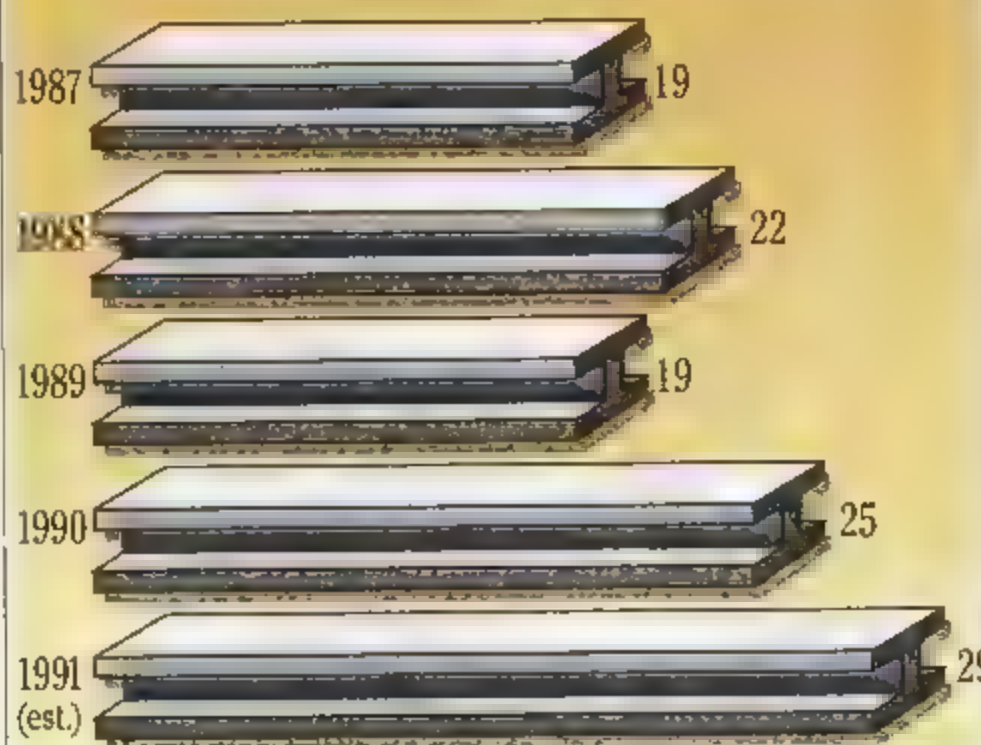
DEIRDRE McMURDY in
Hamilton



Phillips: 'If they can't export, they will be driven out of business'

DRAMATIC INROADS

Steel imports as a percentage of the Canadian market



SOURCE: IRVING-CLOUD, MCCUTCHEN & CO. LTD.

Cross-border shopping

Some Canadian banks are stalking U.S. partners

At the Royal Bank of Canada's Toronto headquarters, Vincent Kelly is shopping for a bank. Kelly, the Royal's senior executive in charge of strategic planning, wades through the financial statements and loan portfolios of U.S. financial institutions—more than 100 of them in the past year. He is looking for a well-managed regional U.S. bank that is anxious to join forces with a larger bank experienced in running a national retail branch network. Kelly has plenty of prospects, but so far, says his boss, Royal Bank chairman Allan Taylor, the best ones are too expensive. Still, most banking experts say that it is only a matter of time before either the Royal or the Canadian Imperial Bank of Commerce (CIBC), the other major domestic bank that recently indicated a desire to buy in the United States, announces that it has found a suitable partner. Predicted Robert Korthals, who, as president of the smaller Toronto-Dominion Bank, is watching the takeover hunt with interest: "I think one of them is going to be tempted to stick their toes in the water fairly soon."

Takeover and merger prospects have risen sharply recently as a wave of consolidations sweeps through the U.S. banking industry. In July, two New York City banks, Chemical Banking Corp. and Manufacturers Hanover Corp., unveiled a merger plan that will create North America's third-largest bank, with assets of \$155 billion. Since then, two other major banking marriages have been announced. San Francisco-based BankAmerica plans to take over Security Pacific of Los Angeles, giving it combined assets of \$222 billion, second only to Citicorp of New York with assets of \$249 billion. And two southeastern U.S. banks, NCB and C&S/Sovran, plan to merge to create NationsBank, with assets of \$135 billion. Those three amalgamations will push the Royal, Canada's largest bank with assets of \$124 billion, down to fifth place in North America from its previous second-place standing.

Far from putting obstacles in the path of the Canadian banking industry, U.S. authorities are actively looking for suitors for the country's troubled banks and savings-and-loan companies. Foreign ownership of U.S. banks has long been a sensitive political issue. But many American financial institutions are suffering from too many bad loans and a shortage of

capital—a result of the economic downturn and imprudent lending in the 1980s. As a result, U.S. regulators have urged the country's 12,000 banks to consolidate—and they are encouraging Canadian banks to join the bidding. Taylor says that both the Federal Deposit Insurance Corp. and the Federal Re-



Royal Bank tower in Toronto: down to fifth place

serve Board have invited the Royal to consider potential acquisition targets in the United States.

Still, Taylor insists that he will not rush into a deal in order to compete with the larger U.S. banks. He told *Maclean's*: "We are not going to gamble the bank. When people look at lists, they despair at the fact that only one Canadian bank ranks among the top 50 in the world. But what difference does it make? I think a lot about

that when I think about expansion."

Even so, both the Royal and the CIBC are clearly eager to increase the size of their U.S. operations. Having retreated from many other international markets after the loss of billions of dollars in Third World loans in the 1980s, the banks would prefer to remain relatively close to home. With few opportunities for domestic growth, the banks are looking to the United States, and even to Mexico, for future expansion. Currently, the world's largest banks are between two and three times larger than the Royal in assets. But some of them are growing rapidly, and further consolidation in the United States will accelerate that trend. Acknowledges Taylor: "Somewhere there is a point where, if a number of international banks became three or four or five times as big as any one of the Canadian banks, and if capital was in shorter supply than it is today, those big institutions would be in a better position to pull in capital."

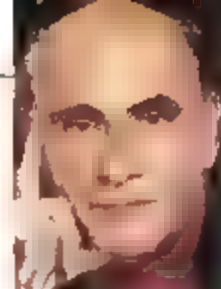
In banking circles, rumors are circulating that the Royal will bid for Chase Manhattan, a large New York-based commercial bank. But Taylor himself appears more interested in a smaller regional bank. One possible candidate, some analysts say, is National City Corp. of Cleveland.

The impact of a merger on the banks' Canadian customers is difficult to determine. Any decision by a Canadian bank to expand in the United States is likely to entail some degree of additional risk—in part because the U.S. banking market is highly competitive and operates under laws and conditions different from those with which Canadian bankers are familiar. That could harm not only the bank's shareholders, but also, potentially, its depositors and business customers. Notes Toronto bank analyst Hugh Brown of the investment firm Burns Fry Ltd.: "Remember, the record of Canadians buying retail-oriented businesses in the States—whether it is Canadian Tire, Dylex, Imasco or Campeau—has not exactly been laden with success."

Michael Mackenzie, the federal government's superintendent of financial institutions, says that he would examine any proposed mergers with U.S. institutions carefully to ensure that the banks' Canadian customers do not suffer. But Mackenzie, who has the power to block such a deal, added

that the world's financial system would be in better shape if the stronger banks took over the weaker. "Unfortunately," said Mackenzie, "we have more banks [in North America] than good bankers today." As they stand ready to buy into the U.S. market, Canada's bankers clearly believe that their talents are up to the challenge.

BRENDA DALGLISH



A week that shook the Communist world

BY PETER C. NEWMAN

The most memorable moment in the week that shook the Communist world was when Boris Yeltsin addressed the crowds before the Russian parliament building, his hair blowing in the wind, with no prepared text or microphone, while the leaders of the coup were droning on at a staged news conference, their corrugated-grey, double-breasted suits and white shirts as lifeless as their official pronouncements.

The final vestige of Soviet communism as a functioning faith died last week, the victim of the shoddy tactics and dated beliefs of its last loyalists—members of the self-appointed State Committee for the State Emergency that tried and failed to seize power. Their faces and tactics revived memories of Josef Stalin's seemingly endless string of septuagenarian successors—among them Leonid Brezhnev, Yuri Andropov, Konstantin Chernenko—and, much earlier, Georgi Malenkov, who carried a corner of Stalin's coffin at his 1953 state funeral and earned a brief fling at power before being consigned to run a power station at Ust-Kamenogorsk, some 2,500 km southeast of Moscow.

The forces set loose by last week's amazing sequence of events are rooted deeply in Russian history and the Bolshevik interpretation of authority. War and its barbarous legacies have traditionally caused the Russians to regard most outsiders as people to be either feared or subjugated. That xenophobic outlook dates back to the 13th century, when Mongol hordes from the East invaded Russia in a tide of exuberant carnage.

Most of Russian history flows with blood and intrigue. Ivan the Terrible, the 16th-century czar who came by his title honestly, had seven wives, some of whom were poisoned by ambitious noblemen who didn't want him to have an heir. Memories of the horrendous Napoleonic campaigns and Hitler's invasion (which claimed 27 million lives) remain so raw that many Moscow newlyweds place part of their bridal bouquets on the Tomb of the Unknown Soldier

Gorbachev introduced the most profound of heresies in a society which believed behavior to be either prescribed or forbidden

in the Alexandrovsky Gardens alongside the Kremlin wall. At the Piskarevka Cemetery in Leningrad, acres of hummocks bulge with so many victims of the Nazi siege that each mass grave is simply marked: 1941, 1942, 1943.

It was out of the fear of being invaded or encircled again that the Soviets began to wage the Cold War, heating it up at crucial intervals. The idea was always to build ideological and military moats around Mother Russia—and the best way to do that was to maintain powerful armies, navies and air forces and to never stop recruiting outsiders to the Bolshevik faith. By 1980, there were 121 Communist parties operating in 92 countries.

The 1917 Revolution gave birth to a form of political mysticism that created the most powerful and widespread political movement (really more of a secular religion) the world has ever known. It had its own bible (*Das Kapital*), saints (Marx, Engel and Lenin), apostles (the Politburo) and disciples (the 15 million Soviet Communist party members). It also had its own flag—the hammer and sickle—which Yeltsin has now consigned to the trash bin, substituting Russia's red, blue and white ensign. Until recently, Leningrad issued a special map identifying no fewer than 231 places associated

with Lenin's few months' stay in the city, including every ramshackle balcony from which he ever gave a speech—and each one was treated as a shrine.

It was a crude and cruel faith, but for an astonishing 70 years it held together the world's largest hunk of geography, the Union of Soviet Socialist Republics—which requires 11 time zones to accommodate its outrageous dimensions. It always was less a country than a wild amalgam of 15 republics and more than 100 ethnic groups. Not until Mikhail Gorbachev took power in 1985 did the structures begin to break down. Most republics decided to fashion their own destinies, thus going counter to the historical Russian desire of being surrounded by friendly extensions of itself.

More important, Gorbachev introduced to the Soviet Union a limited form of political pragmatism—the most profound of heresies in a society which for generations had lived by an operational code that held all forms of past, present and future behavior to be either prescribed or forbidden. In the process of the past half-decade's changes, power and influence began to flow into the hands of a beckoning generation of technocrats. They are no ideologues. They favor jeans and turtlenecks, feel smart, worldly and, above all, impatient.

Last week's coup was prompted as much by that impatience (which the plotters misinterpreted as disillusionment) as by the ancient retainers who hatched the actual coup. Gorbachev's pledge, last July 26, that he intended to replace Marxist orthodoxy with a mixed economy and "social democracy" was enough of a threat to the old guard, but the union treaty that virtually granted independence to the breakaway republics was too much for them to swallow.

After his weekend resignation as Communist party chief, Gorbachev emerges from the sequence of coups and counter-coups as a transitional figure, the man who disrupted the status quo without being willing to discard it. A major point of contention between him and Boris Yeltsin was that the Russian president wanted to abolish the Communist party, while Gorbachev had hoped the party faithful could have been persuaded to reform themselves. Yeltsin is dead right when he describes his rival as "a master of the half-measure."

But, as both men realize, the problem is as much economic as political. The Soviet economy's gross domestic product has dropped 10 per cent in the first half of this year alone, while industrial production so far in 1991 is down 6.2 per cent. Trade is at such a miserably inactive level that the official exchange rate for the ruble (\$1.88) bears no relationship to its actual value in hard currency (about three cents). Even by official government statistics, an estimated 43 million Soviets live below the poverty line.

That's not a tenable situation in any country, especially one reaching in militant fashion for democratic rights—and getting them. The next revolution could be a popular uprising from the left, if the Soviet leadership does not move fast enough to resolve the economic agonies of a nation on the brink of disintegration.



Lakeman; McLachlin (below): the decision reopened a long and bitter debate

JUSTICE

Rape and the court

Justices overturn the 'rape-shield' law

The plea to Justice Minister Kim Campbell was a discordant reminder of an unfinished battle. Minutes after a speech in Vancouver in June, in which Campbell vowed before a gathering of judges, politicians, feminists and academics that she would lead a reform of the Canadian legal system to meet the needs of women, a group of them stopped her in the lobby. The women, organizers of several rape-crisis centres, expressed concern that an imminent decision by the Supreme Court of Canada on the so-called rape-shield law might jeopardize courtroom protection given to alleged sexual-assault victims against questions about their sexual history. If the law was ruled unconstitutional, members of the group argued, Campbell should have alternative legislation ready to replace it. Then, in a ruling last week that triggered angry protests from women's groups, the Supreme Court, in a 7-to-2 ruling, struck down the 1983 law. Said Lee

Lakeman, an organizer at a Vancouver women's centre, last week: "The battle is back to Square 1."

The court's decision reopened a long-standing and often bitter debate about the rights of an individual to a fair trial and the need to redress stereotypes that women's groups say continue to tilt the legal system against victims of sexual assault. It also presented Campbell with the difficult task of fulfilling her undertaking to eradicate any form of gender bias in the law while respecting the constitutional boundaries set by the high court. In a decision written by Justice Beverly McLachlin, one of the court's two women judges, the Supreme Court ruled that the 1983 legislation, which prevented defence lawyers from questioning alleged rape victims about their sexual pasts, could exclude relevant evidence and prevent justice from being done.

Officials of women's organizations and lawyers were divided over the likely effect

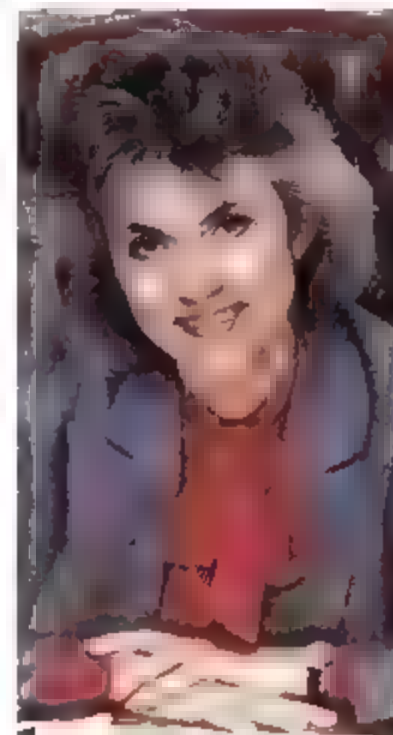
of the court's decision. Judy Rebeck, president of the National Action Committee on the Status of Women, said that the decision would have a "chilling" effect by making women reluctant to press sexual-assault charges. But Alan Borovoy, general counsel of the Canadian Civil Liberties Association, which opposed the 1983 Criminal Code provision, said that the court had made the right decision. Still, Borovoy acknowledged that striking an appropriate legislative balance between the legitimate interests of the complainant and the rights of the accused could be difficult in some cases. For their part, justice department officials in Ottawa said that Campbell, who was on vacation in British Columbia, would "carefully consider options to protect victims of sexual violence from harassment and embarrassment."

Legal experts said that in its majority decision, the Supreme Court clearly attempted to steer a middle course. It upheld Section 277 of the Criminal Code, which excludes evidence of a complainant's sexual reputation for the purpose of challenging or supporting the complainant's testimony. But it struck down Section 276 of the code, which since 1983 has prevented defence lawyers from questioning a victim about past sexual activity with anyone other than the person charged with the crime. In her judgment, McLachlin justified striking down Section 276 on the grounds that sexual stereotyping was a "universally discredited" practice in the present legal system.

Instead, the court replaced the provision with strict guidelines that it said should ensure that only relevant information about a victim can be raised in open court. If a trial judge decided after an in camera hearing to admit evidence of past sexual activity, the jury must be warned against inferring that, because of that sexual history, the complainant might have consented to sexual relations. To strengthen the argument against Section 276, McLachlin cited a case from the state of Oregon in which a father was accused of committing sexual acts with his daughter. In the case, the man sought to show that his daughter's accusation stemmed from her anger after he stopped her from having sexual relations with her brother. Under Section 276, said McLachlin, evidence of that nature would be prohibited and could deprive the accused of a fair trial.

The issue caused a sharp division of opinion within the high court itself. In a stinging dissent, Justice Claire L'Heureux-Dubé, who wrote the minority opinion, said that Parliament enacted the 1983 law because it did not trust judges to make the correct decisions about an issue still clouded by "myths and stereotypes." Her view was echoed by women's rights groups. The Ottawa-based National Association of Women and the Law, a nonprofit organization dedicated to studying women's issues, predicted "a dramatic decline" in the reporting of sexual assaults. For Campbell, the court's controversial ruling has imposed a difficult test of her undertaking to make the nation's justice system more responsive to the needs of women.

E. KAYE FULTON in Ottawa



MURRAY/CANAPRESS

SPORTS

The road to glory

Decathlete Michael Smith's star is rising

Michael Smith, the muscular six-foot, six-inch decathlete who will be part of Canada's track-and-field team at this week's World Championships in Athletics in Tokyo, was a skinny 14-year-old when he first caught the attention of Andy Higgins. Higgins, Canada's national decathlon coach, was scouting a high-school track meet in Toronto in 1983 when Smith, a native of Kenora, Ont., won the 100-m dash and set a meet record in the long jump. Higgins was even more impressed two years later after Smith had grown to almost his current size—and was still fast. "When you combine speed with size and strength," said Higgins, "you have the ideal decathlete." Still, Higgins acknowledged that he had no idea then how accurate his assessment would be. He says that he still marvels at the potential of Smith, now 23. Declared Higgins: "He is a tremendous athlete."

Canadian track-and-field officials welcomed

Smith's emergence after the sport suffered a major setback at the 1988 Summer Olympic Games in Seoul, where sprinter Ben Johnson was stripped of his 100-m gold medal and world record following a positive test for steroids. In June, Smith scored a gold-medal victory at the respected decathlon championship at Götzis, Austria, where he defeated such contenders for the world title as 1988 Olympic champion Christian Schenk of Germany. As a result, Smith was ranked among the favorites for gold in Tokyo, where the gruelling two-day decathlon competition begins on Aug. 29.

Track experts say that Smith's accomplishments so far, and his strong opposition to steroids, have helped to restore the Canadian team's pride. His on-field prowess has also increased his appeal to sponsors, including Adidas (Canada) Ltd., Effem Foods Ltd. and Toshiya of Canada Ltd., who have contracts with the commerce student at the University of Toronto. Still, Smith said that for him, the

money is only an incidental byproduct of his main interest—the decathlon. "I really enjoy what I do, and money is not the most important thing to me," he said. "Money certainly is not why I am a decathlete."

According to friends and associates, Smith's levelheadedness and his quiet self-confidence come from his upbringing in Kenora. His father, Bert, a high-school English teacher and librarian, and his mother, Bernice, moved from Winnipeg to the Northern Ontario community 25 years ago. Smith says that his parents instilled in each of their children—Smith has a younger brother and two sisters—the confidence to pursue both athletic and academic goals. But Smith said that he had not considered the decathlon until Higgins approached him in 1985. At the time, he was a star athlete at Kenora's Beaver Brae Secondary School, and he was pursuing college scholarships in football at several American universities.

Higgins said that he was able to convince Smith to leave Kenora and complete his last year of high school in Toronto while training full time with him and other national team coaches at the University of Toronto athletic centre. Higgins said that preliminary tests indicated that Smith possessed a "really exceptional physique" for the decathlon, which requires competitors to perform in the discus, shot-put and javelin throws, the 100-, 400- and 1,500-m track events, the high jump, pole vault, long jump and the 110-m hurdles. In July, 1986, while still in his first year of training, Smith succeeded in winning the silver medal at



Smith: Canadian officials welcomed his emergence after Johnson's steroid setback

the World Junior Championships in Athens.

The athlete credits his coaches and former Canadian team member David Steen, the bronze medallist in the decathlon at the 1988

Olympics, for helping him to become a stronger competitor. Still, Higgins said that recurring tendinitis hampered Smith's performance at the 1988 Summer Olympic Games, where he

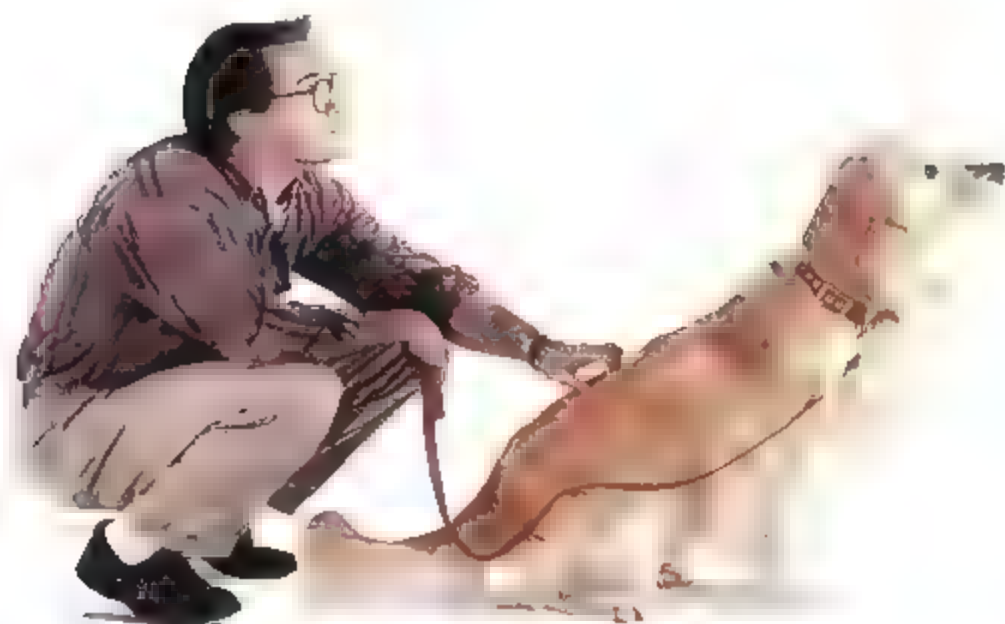
finished 14th. But Smith bounced back to record his personal-best score, 8,525 points, and win the gold medal at the 1990 Commonwealth Games in Auckland.

At the Tokyo championships, Smith will be part of a Canadian team that is still rebuilding its morale following the 1988 Johnson setback. Besides Smith, Canada's only serious medal hopes rest on the 4 x 100-m men's relay team—which will likely include Bruny Surin, Atlee Mahorn and Johnson himself, who resumed competing last January after serving a two-year suspension by the Canadian Track and Field Association for steroid use. Johnson did not qualify for the 100-m event in Tokyo because he failed to run the world championship standard of 10.30 seconds in any of his post-suspension appearances.

For his part, Smith said that Johnson's steroid test had one positive result. According to Smith, the more rigorous testing imposed in Canada and some other countries since 1988 has reduced, although not eliminated, the use of drugs. Smith says that he remains completely opposed to drug use. "My perspective has always been to do my best," he added. "The placings and the medals will take care of themselves."

JAMES DEACON

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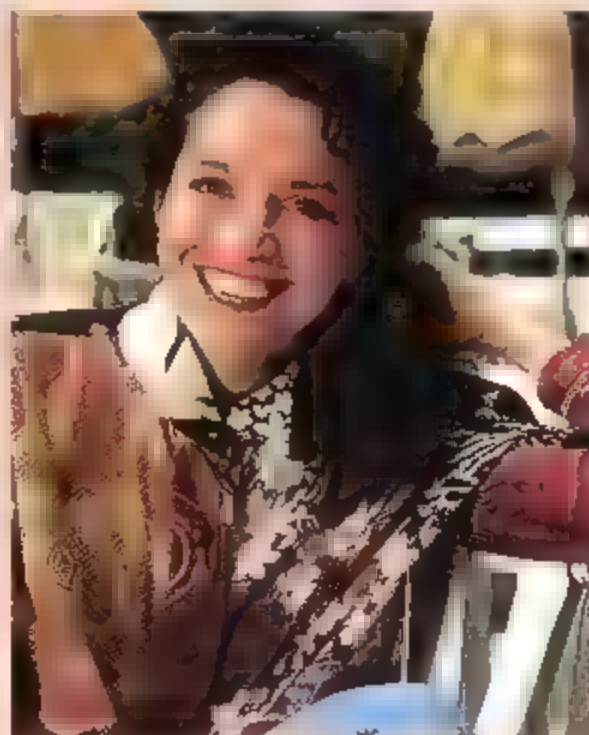
Canada

A MODEST SUCCESS STORY

Best-selling author Tom Clancy's five previous military thrillers have sold nearly 30 million copies and his latest, *The Sum of All Fears*, has just hit the top of international best-seller lists. But Clancy, who has also received widespread critical acclaim for his novels, describes himself as "a nerd, someone with crooked teeth." The 44-year-old author is equally self-effacing about his success, attributing it to "pure, dumb luck." Added Clancy: "If nothing else, I have given people entertainment. Beyond that, maybe I have enlightened a few."

A star is born

Three years ago, Montreal-born actress Daphna Kastner moved to Los Angeles because, she said, "I couldn't even get an audition in Canada." Now, the 27-year-old Kastner has the lead role in a new movie she co-wrote called *Julia Has Two Lovers*. The offbeat comedy is about a woman whose life changes when she starts confessing her most intimate desires to a stranger on the phone. The low-budget *Julia*, which cost \$173,000 and was shot in Kastner's own beachfront apartment in Venice, Calif., has received mostly positive reviews from both Canadian and American critics. And it has launched Kastner's career as a film director.



Kastner: changes for the better

She says that she plans to direct her latest script, a farce about aggressive men called *Spanish Fly*, later this year. Added Kastner, who has also had supporting roles in the movies of American film director Henry Jaglom: "I can't believe all this is happening to me. Going to L.A. was the best thing I ever did."

THE TOP OF THE HEAP

Lean, mean Hollywood heartthrob Patrick Swayze rose to stardom in part, at least, because of his shirtless performances in such top-grossing movies as *Ghost* and *Dirty Dancing*. Last week, New York City-based *People* magazine made it official and bestowed its annual "sexiest man alive" honor on Swayze, who joins the well-muscled company of six previous winners, including fellow actors Tom Cruise, Sean Connery and Mel Gibson. Swayze, who is currently in London filming his latest movie, *The City of Joy*, said that he was "flattered and surprised." Said actress Kelly Lynch, who co-starred with Swayze in the 1989 action drama *Road House*: "He's strong, but he has grace and agility. He's not just this big thug throwing his muscles around." Added Demi Moore, Swayze's co-star in *Ghost*, who appeared nude and pregnant on the controversial cover of *Vanity Fair*'s August issue: "He has a very sweet, gentle and kind heart. But he also has a very rugged, animalistic physique."

Swayze: 'a rugged, animalistic physique'



Wright: a 'taste of the wild life'

BACK ON TRACK

Country-music star Michelle Wright is straightforward about her battle with the bottle, which she attributes to too many late nights when she used to sing in bars across Canada. "I am a recovering alcoholic," said the 30-year-old singer from Chatham, Ont., who has received a best-female-vocalist nomination for the Canadian Country Music Awards on Sept. 15. Said Wright, who is touring the United States with Kenny Rogers: "I have had my taste of the wild life, but I take better care of myself now." She added: "This is business."

From news-maker to reporter

Barbara Turnbull, the convenience-store clerk who was shot during a 1983 robbery, paralyzing her from the shoulders down, says that she has a new appreciation for journalism. Turnbull, 26, is currently finishing her third summer internship as a reporter at The Toronto Star. Said Turnbull, who types with a mouth stick: "I was prepared to hate it because I have been misquoted so many times. But most reporters try to do a good job."



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BOOKS

Reptile territory

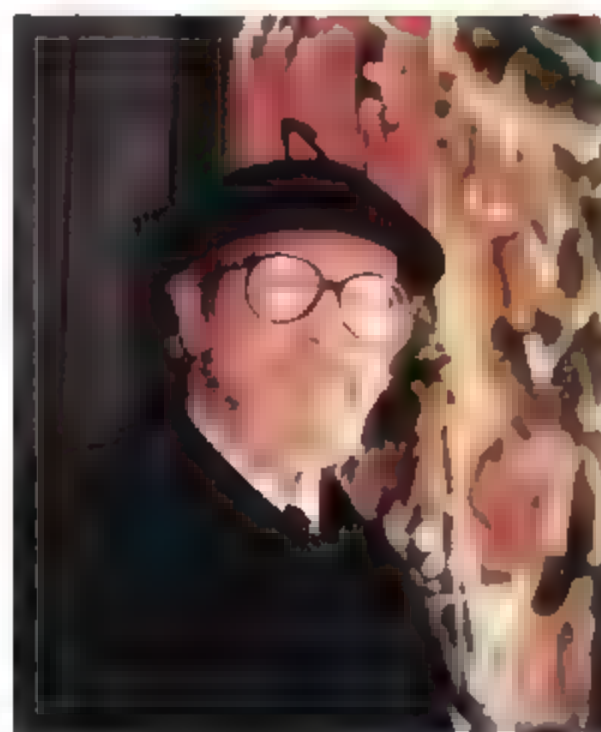
Elmore Leonard mixes guns and alligators

MAXIMUM BOB

By Elmore Leonard

(Doubleday, 295 pages, \$25)

Certain things cause Judge Bob Gibbs to start his day with a stiff shot of bourbon. On one pleasant morning, what prompts him to reach for the Jim Beam is seeing a 10-foot alligator smash through a glass door and lumber into his Palm Beach County, Fla., living room. But most of the time, Gibbs deals with the human reptiles who stand trial in the county courthouse—and who are actually far more dangerous than alligators, if sometimes only slightly smarter. With *Maximum Bob*, U.S. thriller writer Elmore Leonard, whose previous best-sellers *Freaky Deaky* and *Get Shorty* were set in Detroit and Hollywood respectively, proves that swampy, drugged-out southern Florida also makes a great habitat for seedily exotic lowlifes. Still, for all its vivid dialogue, brisk



Leonard: lowlifes thrive in his Florida

pace and inventive nastiness, his latest book remains unsatisfying, largely because its virtuous main characters are so much less memorable than the bad guys.

Gibbs is not one of the bland goody-goodies. A pickup-driving bigot who looks like "a farmer or an Okeechobee fishing guide dressed for town," he is called Maximum Bob because he frequently hands down maximum sentences. Nearing 60, his enemies include cowboy-hatted, dumb-as-dirt Elvin Crowe, a murderer who has just finished serving a Maximum Bob sentence. When the alligator shows up at the judge's residence, and later, when shots are fired at his house, two officials—nice young homicide cop Gary Hammond and 27-year-old Cuban-American probation officer Kathy Diaz Baker, whose caseload includes Crowe's nephew Dale Jr.—team up to find the culprit.

While sorting through the evidence, Baker also has to deflect amorous advances from the unhappily married judge. Leanne, his young second wife, used to be a "mermaid" at the local tourist attraction, Weeki Wachee Springs—and she believes that she is inhabited by the spirit of a 12-year-old black girl who was killed by an alligator. When the focus is on Leanne, the judge or the assorted criminals, the thriller is invigorating. But too much of the story revolves around the relatively ordinary Baker and Hammond. Unlike the alligator in the judge's living room, stretches of *Maximum Bob* ultimately seem a little too banal and insubstantial.

PAMELA YOUNG

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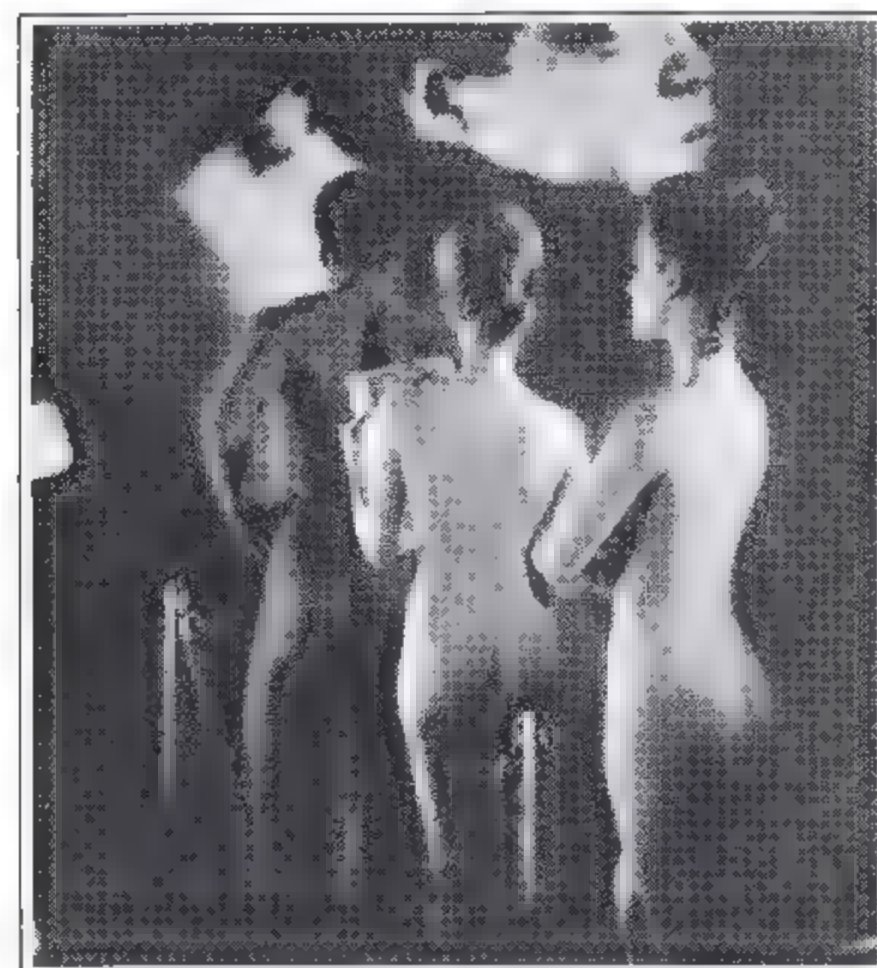
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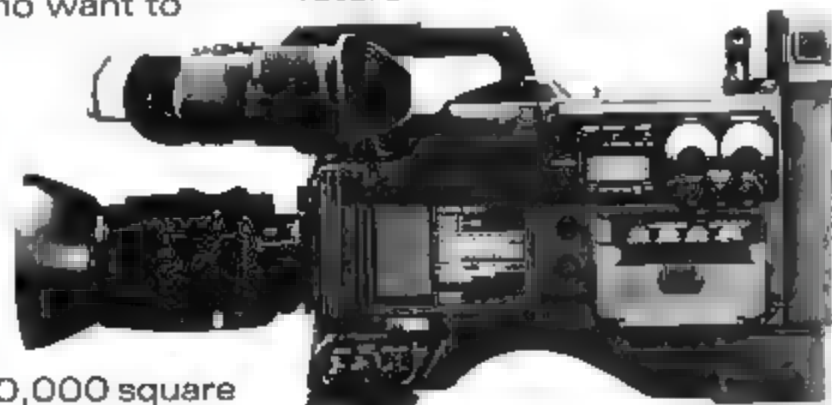
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FILMS

The common touch

Problems beset Montreal's film festival

It was an awkward moment. After a screening of *Rambling Rose*, the movie that opened the 12-day Montreal World Film Festival last week, actress Diane Ladd said that she was thrilled to be in the city "because the movie that opened your festival last year was *Pretty Woman* and it was extremely successful." An official with the festival, which runs until Sept. 2, politely told Ladd

autocratic style. And while its rival, Toronto's Festival of Festivals, which runs from Sept. 5 to 14, grows in glamor and influence, the Montreal festival appears to be waning. Local journalists say that while such stars as Jodie Foster and Mick Jagger are expected in Toronto next month, Montreal has to settle for Danny Aiello and Sidney Poitier.

Meanwhile, Toronto's festival now over-

three screenings of a French film called *La Belle noiseuse* (The Beautiful Troublemaker) sold out before the festival opened. Acclaimed at the Cannes Film Festival last spring, *La Belle noiseuse* is a four-hour drama about an artist and his model. Though exquisitely made, it is literally about watching paint dry. "That's incredible," said festival vice-president Richard Gay. "To me, that's proof that in Montreal there is an amazing passion for film."

The festival's current program offers 225 features from 50 countries, including 24 from Canada. Among the 21 features in official competition are three new Canadian dramas. *Diplomatic Immunity*, by Toronto director Sturla Gunnarsson, is a provocative and richly detailed drama about a diplomat from Ottawa who finds herself on the rebel side of the civil war in El Salvador. With *La Demoiselle sauvage* (The Wild Lady), Montreal director Lea Pool has abandoned the urban images of her previous movies to film a story set in the

mountains of Switzerland, her birthplace. A Canadian-Swiss co-production, it is about a young woman fleeing the law and hiding out with a dam engineer in the wilds. Another Quebec film in competition, *Pablo qui court* (On the Run)—a bold feature debut by Montreal director Bernard Bergeron—is also about a fugitive, but it is set in the back streets of the city.

Czech director Jiri Menzel provides a more baroque view of the underworld with *The Beggar's Opera*, his screen version of Czech playwright—now president—Václav Havel's play, which was in turn inspired by Bertolt Brecht's *The Three-Penny Opera*. A quaint, cerebral comedy of collaboration and betrayal, it is amusing but cinematically flat—never escaping the hothouse theatricality of the stage play.

Meanwhile, German director Percy Adlon (*Bagdad Café*) tantalized local interest with some exotic casting in *Salmonberries*, a movie that marks Canadian singer k. d. lang's screen debut. Starring opposite Chuck Con-

nors, lang portrays a foundling who falls in love with an East Berlin librarian in northern Alaska. The festival will close on a more conventional note, with *29th Street*, starring Aiello as a finalist in a multimillion-dollar lottery.

Montreal's festival still serves as a valuable window on world cinema, but its prestige has faded. Its programs lack vision. And although its ebullient Toronto rival has surpassed it in commercial importance, Montreal still tries to compete for Hollywood's favor—while playing a weak role in discovering fresh talent. To enhance the glamor of this year's anniversary, organizers padded the program with 10 tributes, honoring such guests as actor Anthony Hopkins and directors Oliver Stone and Norman Jewison. But as the festival celebrates their accomplishments, its past appears rosier than its future.

BRIAN D. JOHNSON in Montreal



Losique (left), Ladd at last week's opening gala: adversity and 'amazing passion'

that she was misinformed. In fact, last year's opener was *Men of Respect*, a low-budget gangster movie that drew boos from the audience and was dismissed by critics. This year, *Rambling Rose*, a honeysuckle-sweet story of sexual etiquette in the Deep South, was more warmly received. But Ladd's two more illustrious co-stars—her daughter, Laura Dern, and American actor Robert Duvall—did not attend the premiere. That, combined with the *Pretty Woman* blunder, seemed sadly symptomatic of a festival that is celebrating its 15th anniversary in considerable adversity.

The event's organizers claim that it is the most popular film festival in North America, with the attendance topping 290,000 last year. But despite that fact, the festival is suffering. With an annual budget of \$3.7 million, it has an accumulated debt of over \$1 million. Industry insiders have also criticized the festival's director, Serge Losique, for what they call his

shadows Montreal's as a showcase for major Canadian movies. This year's most ambitious Canadian feature, *Black Robe*, starring Quebec actor Lothaire Bluteau, would have been a logical choice to open the Montreal festival. But its producers instead chose to accept the opening-night spot in Toronto. Victor Loewy of Alliance Releasing, the movie's distributor, told *Maclean's* last week: "Toronto is a more appropriate launching pad to position the film in a North American context. Montreal's is a more European festival." However, Loewy, whose company has placed 20 films in the two festivals, added: "The public at large is more involved in the Montreal festival than in Toronto's, which is still quite elitist. Montreal attracts a much broader local audience—intellectuals, blue-collar workers, people young and old."

The singular devotion of Montreal movie buffs was evident last week when tickets for all



Hershey (left), Shepard: murder, and a woman who falls from professional grace

The new avengers

Movies portray women seeking vengeance

DEFENSELESS

Directed by Martin Campbell

At the movies, female vengeance is suddenly in vogue. A woman kills an abusive man in *Mortal Thoughts*. A waitress and a housewife become road warriors after shooting a would-be rapist in *Thelma & Louise*. *Terminator 2*'s Linda Hamilton—furiously pumping a shotgun with one hand—outmuscles Arnold Schwarzenegger. And in *V.I. Warshawski*, a karate-kicking detective played by Kathleen Turner uses her legs to both seduce and reduce men. *Defenseless* is a new thriller about female rage. It is about the violence of last resort and the fear of being defenceless—physically, emotionally and legally. Starring Barbara Hershey as a lawyer who gets too close to an unsavory client, *Defenseless* is a taut, stylish thriller that puts a novel twist on a familiar formula.

Like the hard-boiled heroine of *V.I. Warshawski*, T. K. Katwuller (Hershey) is an unmarried professional who has had bad luck with men. Despite her better judgment, she becomes romantically involved with one of her clients, a businessman named Steven (J. T. Walsh). The affair soon turns out to be a fatal mistake. T. K. discovers that Steven is married to an old friend, Ellie (Mary Beth Hurt), whom she has not seen in many years. She also learns that he is involved in an underworld pornography ring that churns out movies with such titles

as *Ballbusters* and *Nudes on the Moon*.

In a fit of anger, T. K. breaks Steven's nose and wounds him with a letter opener. Later that night, a mysterious assailant finishes the job—leaving him dead with multiple stab wounds. Ellie heads the list of suspects, and T. K. ends up defending her while covering her own involvement for fear of incrimination.

A laconic, low-key Sam Shepard portrays George Beutel, the police detective who investigates the case. Hershey and Shepard form an intriguing study in contrasts. Hershey's character turns into a nervous wreck, always scrambling to answer the phone before it stops ringing. An independent woman who falls from professional grace, she has let down her defences in what she calls "a world full of creeps." Shepard's cop, meanwhile, is impeccably cool. He taps her phone, deciphering the mystery with unheroic detachment. In emotional terms, she is a mess and he is an enigma; they inhabit separate worlds. Untypically, there is no romance to bring them together.

The plot, however, uses some stock devices—including parking-garage suspense and a corrupt district attorney up for re-election. But New Zealand-born Martin Campbell (*Criminal Law*) directs with a keen eye. Even in predictable situations, he crafts unpredictable images. And despite its tawdry overtones, there is more to *Defenseless* than meets the eye.

BRIAN D. JOHNSON

Sideshow secrets

A quirky Irish movie is absurdist and often lovely

THE MIRACLE

Directed by Neil Jordan

For decades, the bright lights of the midway have been magnets for film crews. Movies ranging from the 1952 classic *The Greatest Show on Earth* to the recent Julia Roberts thriller *Sleeping with the Enemy* have used the whirling, flashy excitement of a carnival to set a mood of alluring danger. Now, in *The Miracle*, a seaside amusement park and circus lends a tawdry beauty to a film that is part mystery, part coming-of-age story. Writer-director Neil Jordan, best known for his 1986 art-house hit *Mona Lisa*, a stylish drama about a black call girl and a white ex-convict, made *The Miracle* in Bray, Ireland, his picturesque home town. Starring American actress Beverly D'Angelo and some youthful and talented Irish unknowns, Jordan's latest movie is quirky, absurdist and often lovely. But like the gaiety of the midway, it can also seem a little forced.

The story begins with two language-infatuated Irish teenagers named Jimmy and Rose (Niall Byrne and Lorraine Pilkington), who savor such poetic words as "pellucid." Idly strolling along the boardwalk of their coastal town, they make up stories about the people they pass. When they spot an unfamiliar and intriguing "specimen"—an elegant, solitary woman (D'Angelo)—Jimmy conjectures hopefully, "She killed someone." For her part, Rose maintains that the woman is looking for "the threads of lost love." Jimmy becomes increasingly obsessed with the woman. When he is not playing saxophone, either in his father's band or with the visiting circus troupe, he follows her around. She turns out to be an American actress working in nearby Dublin—and she really does have an electrifying secret.

Blessed with voluptuous, wistful beauty and the unerring instinct that is an actor's equivalent of perfect pitch, D'Angelo makes a luminous mystery woman. Meanwhile, newcomers Byrne and Pilkington bring ease, naturalness and cheeky charm to the film. The same, however, cannot be said for Jordan's script, which strives to be whimsical but often ends up seeming calculated and desperate instead. At one point in the movie, Rose observes that miracles occur "when you least expect them to." The real problem with Jordan's film is that it tries so hard—and fails—to be miraculous itself.

PAMELA YOUNG

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Days in secret

An architect shows how weekends were built

WAITING FOR THE WEEKEND

By Witold Rybczynski
(Penguin, 260 pages, \$25.99)

Witold Rybczynski clearly has a fascination with life on the home front. In *Home: A Short History of an Idea* (1986), the architecture professor at Montreal's McGill University examined the historical and cultural factors influencing the look of modern dwellings. Three years later, in *The Most Beautiful House in the World*, he delivered a step-by-step account of how he conceived and built his own home in suburban Montreal. And last year, working with fellow McGill professor Avi Friedman, Rybczynski unveiled a prototype for a tiny but highly affordable row house that the two men called the Grow Home. Still apparently captivated with domestic life, Rybczynski has now diverted his attention from space to time—and shows that he is equally at home in either dimension. Combining historical research with moments of pure conjecture, *Waiting for the Weekend* unearths the spiritual, economic and political pressures that have produced what the author describes as "the familiar five-and-two rhythm" of our days.

Although the seven-day week is widely taken for granted, Rybczynski stresses that it is as unnatural as a neon-colored Swatch watch. Unlike days (measuring one full rotation of Earth), months (one full trip of the moon around Earth) and years (governed by Earth's revolution around the sun), the week, Rybczynski writes, measures "Nothing. At least, nothing visible." It is, he points out, a historical artifact, created to conform to the needs—and sometimes the superstitious whims—of mankind.

Rybczynski's attempts, in the book's opening chapters, to come to terms with the origins of the week are not always successful. And it is there that he displays his greatest willingness to forsake a genuine explanation of events for educated—and often educational—guess-

work. He points out that although the week was absent from the Roman calendar devised by Julius Caesar in 46 BC, within two centuries it had bullied its way onto timetables across the empire. It was able to do so, he claims, because of a fascination with the seven heavenly bodies then referred to as the "planets"—Mercury, Venus, Mars, Jupiter, Saturn, the sun and the moon.

But the author concedes that he is unable to uncover solid proof that the number of heaven-



Rybczynski: a fascination with life on the home front

ly bodies determined the number of days. And in a frustrating survey of several other cultures, he fails to explain the nearly simultaneous emergence of similar weekly patterns among Hindus and Arabs as anything more than what he calls a "curious coincidence."

Analysing the week's division into days of work and days of leisure, Rybczynski more successfully marshals the historical facts into a convincing account of how idle days came to be

institutionalized. As early as 1200 BC, Egyptian calendars listed regular days on which the state forbade activities ranging from sexual intercourse to washing to conducting business, in apparent deference to the gods. In AD 321, the Roman Emperor Constantine formalized a weekly day of rest, writes Rybczynski, "on the venerable day of the sun."

The Roman Catholic Church took up the tradition in the Middle Ages, and by the end of the 1700s, people occasionally doubled their pleasure by combining Sunday with a holiday Monday. With the advent of capitalism, industrialists and unions discovered a common interest in trading a commitment to regular attendance on the unrelenting production line for regular, guaranteed days of leisure. Saturday's fate as Sunday's companion was sealed with middle-class agitation for a day preceding Sunday on which workers could rest for church.

Waiting for the Weekend is weakest when Rybczynski turns his attention to a study of what people do with their time off. A scathing attack on television, which he terms "an inferior form of leisure," contains blanket statements about its inability to provoke reflection. And in a long passage clearly colored by his fondness for academic pursuits, the author gushes about the superiority of reading—and of avid readers. Still, *Waiting for the Weekend* is an engaging and informative book by an author who finds that the study of where people spend their leisure time, as well as when they spend it, is all in a fascinating day's work.

VICTOR DWYER

Maclean's

BEST-SELLER LIST

FICTION

- 1 *The Sum of All Fears*, Clancy (1)
- 2 *The Kitchen God's Wife*, Tan (2)
- 3 *As the Crow Flies*, Archer (3)
- 4 *Mamisto*, Deighton (5)
- 5 *Maximum Bob*, Leonard (8)
- 6 *Wise Children*, Carter (7)
- 7 *Immortality*, Kundera (4)
- 8 *"H" Is for Homicide*, Crafton (9)
- 9 *A Soldier of the Great War*, Helprin (10)
- 10 *Brief Lives*, Brookner (6)

NONFICTION

- 1 *Toujours Provence*, Mayle (1)
- 2 *The Rituals of Dinner*, Visser (2)
- 3 *Iron John*, Bly (3)
- 4 *Chutzpah*, Dershowitz (4)
- 5 *Waiting for the Weekend*, Rybczynski
- 6 *When You Look like Your Passport Photo, It's Time to Go Home*, Bombeck (5)
- 7 *Fire in the Belly*, Keen
- 8 *Woody Allen*, Las
- 9 *D-Day Dodgers*, Dancocks (9)
- 10 *Homecoming*, Bradshaw (6)

(1) Position last week

Compiled by Brian Bethune

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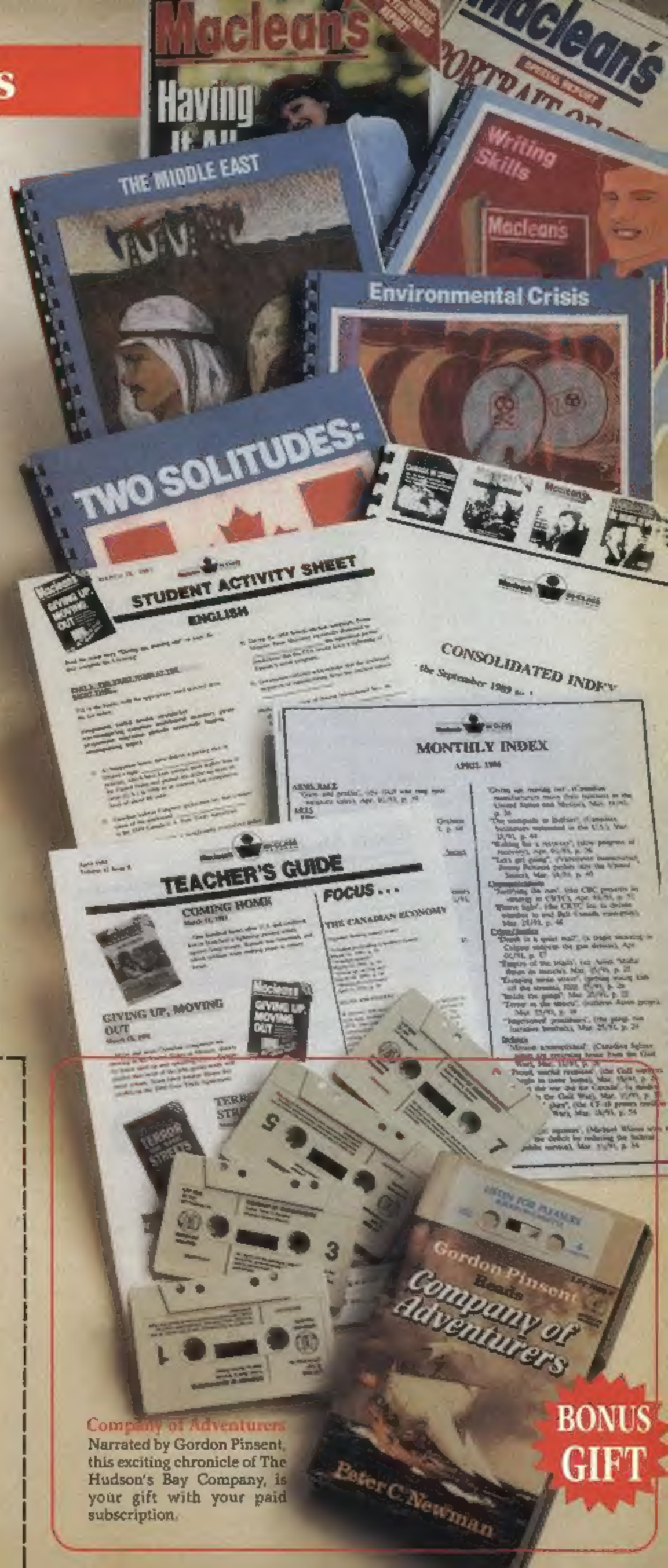
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The revenge of the grannies

BY ALLAN FOTHERINGHAM

Everything, these days, is symbolism. Tokenism. A computer-stained wretch can't put a finger to keyboard without offending some outraged group of litigants. At the moment, the Defenders of Grandmothers are on my neck. Including, of all people, one of my sisters. I feel like Arte Johnson, the little guy on the park bench on *Rowan and Martin's Laugh-In* who was continually smacked over the head by the prim lady with the purse who always kept her knees together.

The DoG are upset by references here to the fact that the brilliant delegates of the Social Credit leadership convention in Hongcouver chose grandmother Rita Johnston as their champion to fight off the Red Hordes of Mike Harcourt, who is destined to be the head of the next government of Bennett Columbia.

You'd think I'd been caught drowning small kittens. Or stomping on Mother Teresa. There is nothing so enraged as the DoG when aroused and in full cry.

First of all: my credentials. As strange as it may seem, I have had a grandmother. Two, as a matter of fact, as they usually come in matched pairs. My mother, strange as it may seem, is a grandmother—12 times over, as a matter of fact, with 11 great-grandchildren to boot. My daughter, strange as it may seem, someday will be a grandmother. My sister, God save her soul, is a grandmother.

We have thus established that I am generally in favor of grandmothers. I wouldn't be here without one. The reference to Grandmother Rita has nothing to do with grandmothers. It has everything to do with politics.

Until John Kennedy came along, there was the perceived wisdom that leadership of a political party could only be bestowed on chaps (no chapesses). Men who had potbellies, pin-stripe suits and liver spots on the back of their hands.

Kennedy changed all that, as can be observed at any political gathering in the world. Bright and ambitious people in politics have discovered that they don't have to wait at the end of the queue: They don't have to sit in



ROY PETERSON

smoke-filled rooms till they are 60 before they are allowed to grab the levers of power.

Sister rails, in a letter, about my disgusting, disgraceful, degrading description of the fact that the race for the Socred leadership was between "two grandmothers." Would you, she asked, have written about "two grandfathers" if they had been the contenders?

That's the whole point. Certainly. Sex, or gender as we say, has nothing to do with it. Age does. Mind-set does. A linkage to the modern world does.

Rita Johnston continues the fine B.C. tradition of producing B.C. premiers who've never made it, educationally, past the high-school dance. Her opponent on the final ballot, Grace McCarthy, said she was 63, although the jury is still out on that one. That tells you everything you want to know about the present state of the Social Credit movement, in 1991, as it waits to march into the next century. It can't find

someone of another generation in its upper ranks, anyone there capable of challenging the leadership. This is a party with a serious hardening of the arteries of the mind.

Look at Ontario. On the retirement of the charismatic Bill Davis, the intellects of the party chose as his successor one Frank Miller, a grandfatherly type who wore Rotary-style plaid jackets with a philosophy to match. Ontario voters were so appalled they immediately voted in the young David Peterson—who wore out his yuppidum eventually and was replaced by an even younger Bob Rae.

Grandmothers are not an endangered species. My kids say (correctly) that they have the two strongest grandmothers in the world. My beef is not with grandmothers (I'm not that dumb). My beef is with the political parties who signify—by their leadership candidates—that they are in Dreamsville, out to lunch with the younger voters that they have to attract to retain power.

All you have to do is take a look around you. The premiers in this country—like the governors in the United States—are getting younger and younger, as witnessed by the energy and resolve that they have to put into the process to achieve reaching the top. There will be, eventually, a female prime minister of Canada—as there have already been in India, Israel, Norway, Sri Lanka, Pakistan and Britain—but she will be a Kim Campbell, not a premier Morn.

As it is symbolism, and tokenism, it is gender-ism, the new buzzword of writers who write to the editor. Grandmothers are suddenly as vulnerable as whales or seal puppies, or elephants slaughtered by African poachers for the aphro-

disiac quality of their tusks. In my considerable experience, the grandmothers in my own family ambience would frighten any poacher out of his blunderbuss.

There has been an overreaction here. Grandmothers can take care of themselves very well. Every one of my children, who can hitchhike through Africa, ski down glaciers and jump out of airplanes with a late-developing parachute, are terrified of sitting down with Granny to discuss, ah, modern hygiene. Sometimes known as condoms. It's the Socreds' own business if they, in 1991, want to choose between two grandmothers to put before the voters, as they must, before a snow falls (as it never does in Hongcouver). They inadvertently put out a signal to the electorate that they have no fresh blood, no zip, no new ideas. That's their business. I'm just a reporter. Sorry, Sis. But you're wrong. (Mother always liked my brother best.)

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